Annual Financial Report 2012

ATENOR GROUP

ATENOR GROUP is a real estate property promotion company quoted on the continuous market of NYSE Euronext Brussels.

Its mission aims at contributing, through its **urban planning and architectural approach** to finding appropriate responses to the new requirements imposed by the evolution of urban and professional life.

Within this framework, ATENOR GROUP invests in **large-scale real estate projects** that meet strict criteria in terms of location, economic effectiveness and respect of the environment.

Summary

ATENOR GROUP has chosen French as its official language. Consequently, only the French text is authentic. The versions in Dutch and English are translations of the French version.

Dit jaarverslag is ook verkrijgbaar in het Nederlands.
Ce rapport est également disponible en français.

Key Consolidated Figures

on 31.12.2012

KEY FIGURES ATENOR GROUP (IN MILLIONS OF €)

	2008	2009	2010	2011	2012
Net results (group share)	41.29	7.32	-1.60	11.32	9.49
Current cash flow [1]	44.64	7.32	-0.55	11.80	7.98
Capital and reserves	125.45	117.16	100.53	97.52	98.74
Market capitalization	191.46	178.36	168.99	121.98	161.48

(1) Net profits + depreciation, provisions and reductions in value.

The 2012 consolidated financial statements were drawn up in accordance with the IFRS standards as adopted in the European Union.

FIGURES PER SHARE (IN €)

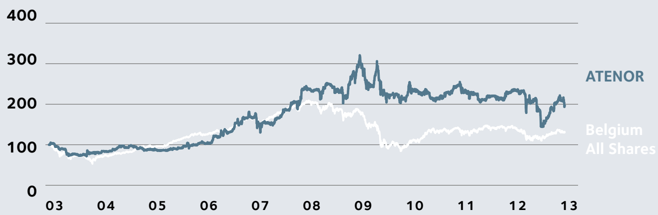
	2008	2009	2010	2011	2012
Capital and reserves	24.90	23.25	19.95	19.35	19.60
Current cash flow	8.86	1.45	-0.11	2.34	1.58
Net consolidated results (group share)	8.20	1.45	-0.32	2.25	1.88
Dividend					
Gross Dividend	2.60	2.60	2.00	2.00	2.00
Net ordinary dividend	1.95	1.95	1.50	1.50	1.50
Number of shares	5,038,411	5,038,411	5,038,411	5,038,411	5,038,411

STOCK MARKET RATIOS

	2008	2009	2010	2011	2012
List price/book value	1.50	1.50	1.70	1.25	1.64
List price on 31 December	38.00	35.40	33.54	24.21	32.05
Gross return for 1 year	-1.69 %	0 %	2.09 %	1.78 %	2.41 %
Gross return	6.84 %	7.34 %	5.96 %	8.26 %	6.24 %
Net ordinary dividend/list price	5.13 %	5.51 %	4.47 %	6.20 %	4.68 %

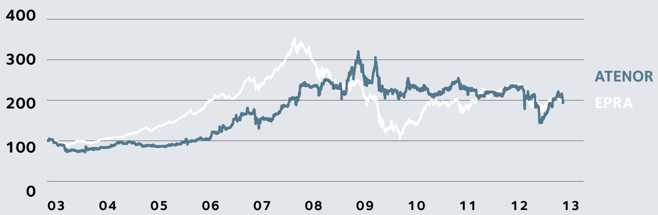
EVOLUTION OF ATENOR GROUP SHARE COMPARED WITH THE BELGIAN ALL SHARES

(taking into account the reinvestment of dividends)

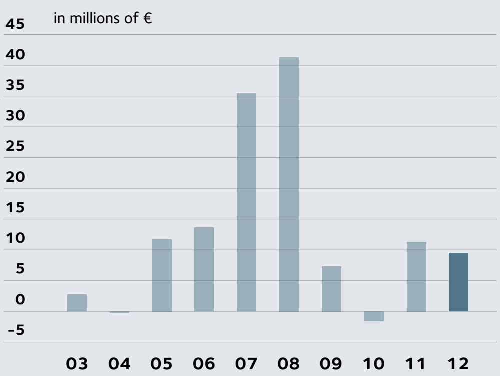


EVOLUTION OF ATENOR GROUP SHARE COMPARED WITH THE EPRA EUROPE

(taking into account the reinvestment od dividends)

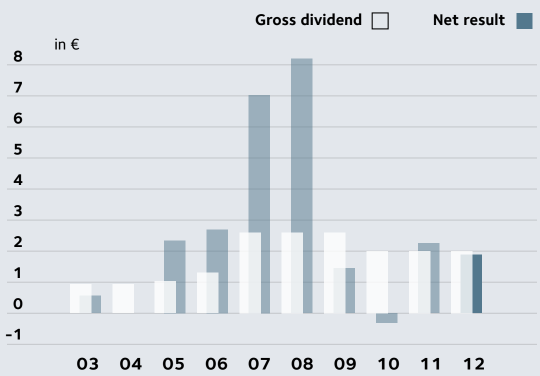


NET CONSOLIDATED RESULTS*

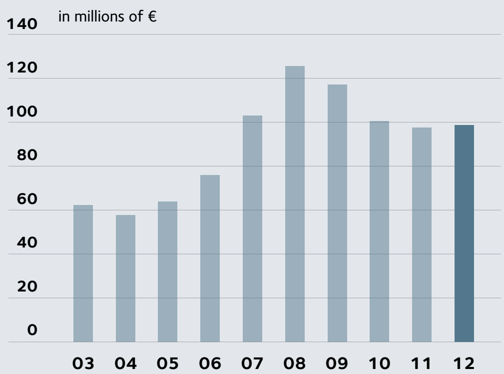


* Belgian Gaap until 2004, IFRS since 2005

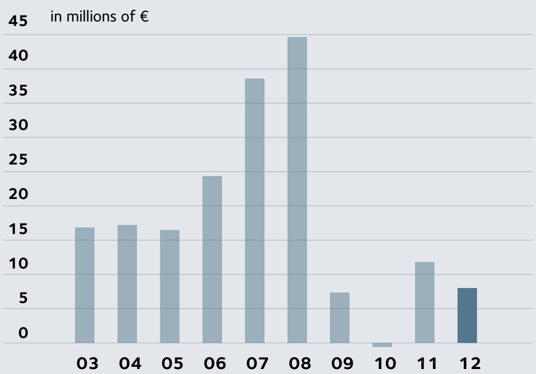
NET RESULT AND GROSS DIVIDEND PER SHARE



CONSOLIDATED CAPITAL AND RESERVES



CURRENT CASH FLOW



GLOSSARY

Gross return for 1 year	(last closing price + adjusted dividends paid during the last 12 months – first list price for the period) / first list price for the period
Return	dividend for the last full financial year / last list price
Capitalization	number of shares x last list price of the financial year concerned.

Mission

By investing in ATENOR GROUP, shareholders expect a return.

Our mission therefore is to create value by using a strategy that is clear and widespread.

In the course of the last few years, we have defined our activity, that of a real estate property developer, and explained the way in which we perform it.

For shareholders who have chosen to invest in the real estate property promotion sector, we offer a diversification of their risk, a specific approach to the activity, and access to large-scale projects to which they could not otherwise have access.

Our mission aims on the one hand to offer the shareholders regular remuneration of the capital supported by recurrent positive results, and on the other hand to ensure the growth of the value of ATENOR GROUP's assets through the consolidation and the expansion of its know-how and the constant renewal of its portfolio with new projects.

Values

Through the communication and the application of the essential principles of Corporate Governance, we give our activities the transparency that is required to an easy reading.

All our employees act with respect for the criteria of integrity and ethics that are essential to the correct operation of a quoted company, active in real estate development.

Since the mission and the values have been clearly defined, the profit generated annually by ATENOR GROUP appears as the result of the action of each employee, motivated to contribute his or her best work every day.

Strategy

The activity of ATENOR GROUP is real estate development.

For more than 20 years, ATENOR GROUP has accumulated results while continuing to create know-how recognised by the market and has since 8 years centered its activities on real estate development only.

RESPONSES TO THE REQUIREMENTS OF URBAN AND PROFESSIONAL LIFE

The strategy of ATENOR GROUP in this activity is quite specific: it aims at contributing appropriate responses to the new requirements imposed by the development of urban and professional life through its urban planning and architectural approach. Today, it is going still further, by proposing mixed projects that provide solutions to the wider problems that concern every city dweller, such as mobility, pollution, lack of safety and respect for the environment. Within this framework, ATENOR GROUP invests in large-scale real estate property projects meeting very strict criteria concerning the choice of the site ("prime location"), the technical quality, the costs of investment and the conditions of rental and sale.

RESPECT FOR THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

In response to the growing concern about environmental compatibility and especially sensitive to sustainable development, ATENOR GROUP is naturally in favour of the application of new technologies and the use of specific materials in its new real estate projects. But ATENOR GROUP goes beyond this by offering a comprehensive ecological approach. Its dense and mixed projects in the vicinity of public transport stations present the most favourable possible ecological balance sheets at city level.

AN INTERNATIONAL DIVERSIFICATION

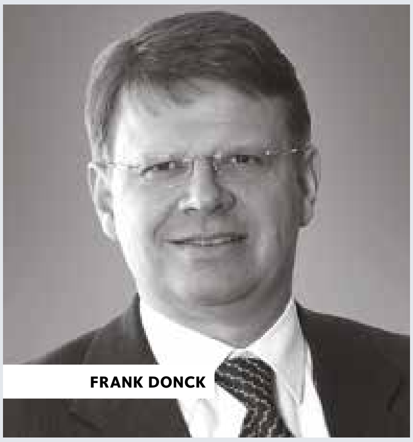
The activity of ATENOR GROUP is currently being exercised in Belgium, in Brussels and beyond, in the Grand Duchy of Luxembourg, but also in the countries of Central Europe, such as Hungary and Romania, with a concern for international diversification. With its varied experience, when analysing real estate projects abroad, ATENOR GROUP takes care nonetheless to take its place only in cycles of development that correspond to its risk and profitability criteria.

LARGE-SCALE PROJECTS WITH MIXED FUNCTIONS

Responding to the numerous changes in the real estate market, ATENOR GROUP involves itself in residential and commercial markets, expanding the field of its skills. The projects currently in its portfolio amount to 11. They represent an approximative area of 650,000 m². In the future ATENOR GROUP intends to maintain this diversification of allocations depending on the fundamental developments of the markets.

ATENOR GROUP is interested in particular in the major projects of urban planning currently being implemented by the Cities and the Regions. To this end, ATENOR GROUP will continue its policy of constructive dialogue with the authorities and local administrations and will analyse any opportunity that conforms to those projects, with a view to investment.

ATENOR GROUP is seen as a reliable economic player in the necessary adaptation of the urban structures in the light of economic, demographic and sociological developments.



Letter to the Shareholders

The economic and monetary crisis that followed the financial crisis of 2009 is persisting, especially in Western Europe and in Central Europe, where we carry out our activities. The real estate market, closely connected to the economic situation, is fully bearing the brunt of this economic pessimism and these monetary disturbances.

Notwithstanding this context, in 2012 we realised a positive net consolidated result of 9.49 million euro in comparison with 11.32 million euro in 2011.

A world in turmoil, called into question right down to its economic principles, is also a source of new ideas and opportunities.

For ATENOR GROUP, 2012 was an exemplary year in this regard, that of active management alternating the implementation of a clear strategy and a high-performance business model and sometimes the expression of a targeted opportunism and a determination to take advantage of special situations.

These last few months an accent of urgency has been given to the debates about demographic growth. This is a challenge that is imposed on the political authorities with all the more severity in that they lack public moneys to meet it. Such a context created and still creates every day new pairs of opportunities-threats which open up new market niches in which we are well positioned.

On 29 February 2012 we launched the commercialisation of the apartments of the UP-site tower. The immediate success confirmed the existence of a demand for an atypical project, emblematic and with an attractive quality-price ratio.

In spite of questionable opinions as to an overvaluation of the Brussels real estate market, in a sector in addition where the conditions for granting mortgage loans were stricter, we were able through targeted and innovative marketing to reach varied segments of the market of investors and potential buyers. While the commercialisation is already approaching the 50% level in reserved apartments, this tower is standing out in the Brussels landscape as it is built, offering the city a structural landmark and providing ATENOR an incomparable reference.

In September 2012, we obtained the urban planning permit for the construction of 131 residential units in Namur, on the exceptional site of the PORT DU BON DIEU. The more than five years of procedures and discussions to obtain this permit are now to be moderated by the keen interest that the project has been inciting since the first months of its commercialisation.

Both UP-site and PORT DU BON DIEU give evidence of a special know-how and an appropriate positioning: the development of exceptional differentiated projects, in the final stage of a complex urban planning procedure of reconversion, in a market undergoing growth.

In the last few months we have noted with satisfaction that the proven urgency of the demographic growth is generally driving the public authorities to accelerate the issuing of urban planning permits for projects of urban revitalisation and of a nature to meet the pressing demand for residential units.

An example of this is the way in which the urban planning and administrative steps are being pursued in the "LES BRASSERIES DE NEUDORF" project in Luxembourg.

At the same time, in a few weeks, the Government of the Brussels Region should rule on the new PRAS which should be dedicated to the change of assignment of the CITY DOCKS industrial site in Anderlecht, on which we propose to implement a mixed project, the majority of it residential.

With regard to its potential and topicality, it is around this project that we produced the fourth edition of our magazine "DIVERCITY".

This year, we seized the opportunity to invest in two new projects: the FORMER SUGAR SITE in Ath and the AREA OF THE NEW STATION in Mons. These projects meet our criteria in terms of the location and of financial prospects. While contributing to the extension of our activities, these two projects, with a limited initial investment, require

urban planning procedures that are a priori shorter, therefore they offer a diversification of timely risk, in a gap in the market where we can express our know-how.

Demographic growth is not the only fundamental tendency that is influencing the real estate market. The market for offices is subject to dual pressure. On the one hand, companies, both public and private, are clearly in a phase of reducing their operating costs, with a direct or indirect impact on the areas occupied and the costs relating to them. On the other hand, the obsolescence of offices is accelerating under the influence of several phenomena. Their technical obsolescence is more and more obvious at a time when environmental standards in terms of energy consumption cannot be overlooked. An obsolescence of location is being openly discussed today: entire districts of offices developed in the 1990s have been deserted by companies, while the districts around railway stations, where we are positioned, display the lowest rental vacancies. An obsolescence of use is now a driver for the relocation of companies. Pushed to or wanting to establish concepts of home working, desk sharing, etc., companies are not only reducing their need for occupied spaces, but are demanding "something different" at their workplaces: the internal organisation of the offices must enable the expression of a contemporary company culture, attractive for the employees, hyper-efficient but also unifying.

Faced with an office market that is on the decline overall, a new demand is being expressed. We think that there are not too many offices on the Brussels market, but too many obsolete offices, and certainly not enough offices appropriate to this new demand. Renovation and reconversion will provide a part of the adaptation of the market that is indispensable, but we feel that a non-negligible part of the offices of tomorrow are still to be developed. It is in precisely this niche that we are situated.

As confirmation of this evolution and our positioning, in June 2012 we concluded the sale of the third office block of the UP-site project still under construction, to an administration wanting to relocate in a high-performance building and one in which a "special style" could be implemented.

For the other projects in the portfolio, 2012 was a year of transition, imposed by the complexity of the administrative procedures. TREBEL, a project that was the subject of a preliminary acquisition agreement signed by the European Parliament in June 2012, VICTOR and BRUSSELS EUROPA necessitating urban planning tools and an urban planning permit before being developed. In this regard 2013 ought to be a year of materialisation.

Our presence in Romania and Hungary kept our full attention in the course of this year 2012. These two countries are not experiencing identical evolutions.

The office market in Bucharest has maintained itself in terms of rent and of take-up, supported by a demand for relocation of companies and by the development of call and shared service centers. It is on this basis and with a location that is being confirmed as relevant that we decided to continue the works for the first phase of the HERMES BUSINESS CAMPUS project. Starting in 2013 we will thus be able to offer the market high-performance areas that have a comparative advantage in terms of efficient use.

The economic situation in Hungary on the other hand deteriorated in 2012, pulling the real estate market in its wake. The promoters no longer found the financial resources necessary for developing new projects on the market. It is in this context of rarity that we found it timely to complete the construction of the first block of offices of the VACI GREENS project in Budapest; this, the only new development to be put on the market in 2013, will profile itself starting in June 2013 as the only alternative for any company that wants to relocate in a new building.

In a banking market that is more and more restrictive, in October 2012 ATENOR seized the opportunity to turn to the financial markets and issue a bond with a five-year term and an amount of 60 million euro. This issue follows a first issue of 75 million in January 2010. While the bond issue of 2010 had the objective of strengthening the permanent capital of the group and thus of supporting the growth of our activities, the proceeds of the bond issue of October 2012 will be dedicated to the development of the existing portfolio, as a substitute for the bank funding generally contracted for the financing of the construction of projects. The interest that this bond issue met with provided a new mark of confidence of the markets in ATENOR's business model while giving the group the means for launching the construction of projects with timing that is differentiated from that of the competition.

The Board of Directors will propose to the General Assembly of 26 April 2013 an optional unchanged gross dividend of 2 euro for the 2012 financial year. The establishment of the option of receiving the dividend in shares while keeping the amount of the dividend unchanged is the balanced way chosen by the Board of Directors to confirm the remuneration policy, valued by the shareholders, while opening up the possibility of strengthening the group's own funds. We want to believe that this proposal, which has received the support of the leading shareholders, will satisfy a large number of shareholders.

Finally we will close by thanking all the employees of ATENOR who, by their skills and their daily work, contribute to making ATENOR a group that is profitable and recognised on the real estate market.

Stéphan SONNEVILLE s.a.
CEO

Frank DONCK
Chairman of the Board of Directors

Major events 2012

TREBEL - BRUSSELS

JANUARY 2012

Submission of the demolition permit.

27 JUNE 2012

Signing of a provisional agreement for the sale of the building with the European Parliament.

FEBRUARY 2013

Receipt of the environmental permit.

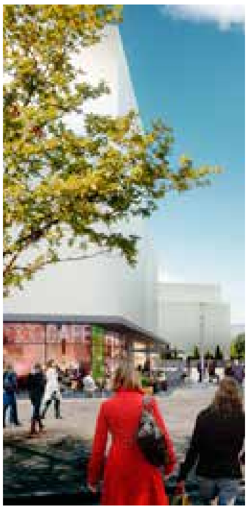
THE FORMER SUGAR SITE - ATH

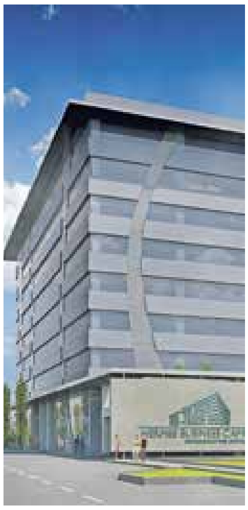
AUGUST 2012

As the winner of a competition organised by the city of Ath, ATENOR GROUP was chosen to take care of the development of ± 20,000 m² of residential units (apartments, lofts, rest home, day-care centre and community centre) on the site of the former sugar site (district of the railway station).

VICTOR BRUSSELS

Submission of amendments to the application for the urban planning permit.





CITY DOCKS ANDERLECHT

JANUARY 2013

Demolition of the industrial buildings established on the site.

AREA OF THE NEW STATION - MONS

AUGUST 2012

Acquisition of two parcels (7.2 ha) on the site of the Grands Prés in Mons for the development of a major mixed urban project.

DECEMBER 2012

Signing of a provisional agreement for the purchase of the “Area of the New Station” site in Mons.

Submission of an application for a permit for the development of a first block of 73 apartments.

HERMÈS BUSINESS CAMPUS BUCHAREST (ROMANIA)

SEPTEMBRE 2012

Launch of the covered structural work (17,000 m²) of the first block of the office complex.

Naming of ALPINE as the general contractor to perform the works.

LES BRASSERIES DE NEUDORF GRAND DUCHY OF LUXEMBOURG

APRIL 2012

Submission of the draft PAP (Special Development Plan) concerning the site of the former Henri Funck brewery in Luxembourg.

SEPTEMBER 2012

Naming of a new architect - the Steinmetz Demeyer architectural firm - for the design and development of the project.

DECEMBER 2012

Beginning of the demolition works on the former brewery buildings. The end of these works is planned for April 2013.

UP-SITE – BRUSSELS

29 FEBRUARY 2012

Sales launch of the apartments in the UP-site Tower.

30 JUNE 2012

Provisional acceptance of the B4 office building (Smals-Ethias).

JUNE 2012

Signing of an agreement with the PMV Group (Participatie Maarschappij Vlaanderen n.v.) for the transfer of the B2 office building. This building will accommodate the services of GO! Onderwijs van de Vlaamse Gemeenschap.

15 OCTOBER 2012

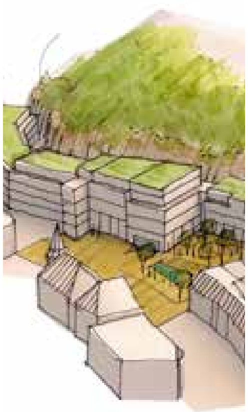
Provisional acceptance of the B3 office building (Unizo).

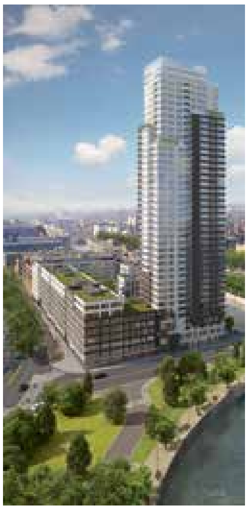
17 OCTOBER 2012

Sales launch of the "UP-site Terraces" apartments.

31 DECEMBER 2012

Reservation of a hundred apartments in the UP-site tower (results of the commercialisation for the year 2012).





BOND ISSUE

26 OCTOBER 2012

Successful issuing of a bond for € 60,000,000. The proceeds of this bond will be allocated to the financing of the construction of projects in the portfolio.

PORT DU BON DIEU – NAMUR

SEPTEMBER 2012

Urban planning permit issued for 131 apartments.

DECEMBER 2012

New urban planning permit application for 9 apartments.

Beginning of the demolition works.

16 JANUARY 2013

Launch of the commercialisation of the apartments of the first phase of the project (46 apartments).

VÀCI GREENS BUDAPEST (HUNGARY)

1 JUNE 2012

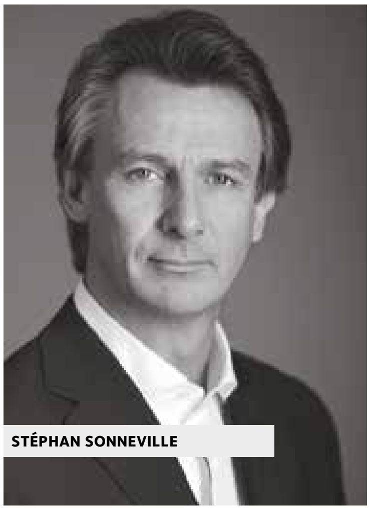
Obtaining of the modified urban planning permit for block A of the project. The gross area above ground is increased from 15,408 m² to 17,362 m².

BRUSSELS EUROPA BRUSSELS

DECEMBER 2012

Submission of a new urban planning permit for the construction of a mixed building (mainly offices) of ± 44,000 m².

Administration


STÉPHAN SONNEVILLE

COMPOSITION OF THE BOARD OF DIRECTORS

(at the end of the Ordinary General Assembly of 26 April 2013)

Name	Title	Expiration of term
Mr Frank Donck	Chairman (2)	2015
Stéphan Sonneville s.a.	Managing Director (1), represented by Mr Stéphan Sonneville	2016
Prince Charles-Louis d'Arenberg	Director (3)	2015
Baron Luc Bertrand	Director (2)	2015
Mrs. Anne-Catherine Chevalier	Director (3)	2015
Mr Marc De Pauw	Director (2)	2015
Mr Regnier Haegelsteen	Director (2)	2015
Luxempart s.a.	Director (2) represented by Mr François Tesch	2016
Sogestra sprl	Director (3) represented by Mrs Nadine Lemaitre	2014
Mr Philippe Vastapane	Director (2)	2015

(1) executive / (2) non-executive / (3) independent

MAIN FUNCTIONS EXERCISED BY THE NON-EXECUTIVE DIRECTORS

Prince Charles-Louis d'Arenberg	Chairman of the Board of Directors of Belgocontrol
Baron Luc Bertrand	Director, Chairman of the Executive Committee and CEO of Ackermans & van Haaren
Mrs. Anne-Catherine Chevalier	Strategy and Development Director of the Fundation for Future Generations
Mr Marc De Pauw	Director of Sofinim n.v.
Mr Frank Donck	Managing Director of 3D s.a.
Mr Regnier Haegelsteen	Chairman of the Executive Committee of Banque Degroof
Mrs Nadine Lemaitre	Chairman of GDF SUEZ University and Professor at Solvay Brussels School Economics & Management
Mr François Tesch	Managing Director of Foyer s.a. and Luxempart s.a.
Mr Philippe Vastapane	Managing Director of Alva s.a.


OLIVIER RALET


LAURENT COLLIER


SIDNEY D. BENS


WILLIAM LERINCKX

AUDIT COMMITTEE COMPOSITION

Mr Marc De Pauw	Chairman
Prince Charles-Louis d'Arenberg	Member
Mr Frank Donck	Member
Mr Philippe Vastapane	Member
Mr André Cornet for XOBA sprl	Internal Auditor

NOMINATION AND REMUNERATION COMMITTEE COMPOSITION

Sogestra sprl represented by Mrs Nadine Lemaitre	Chairman
Prince Charles-Louis d'Arenberg	Member
Mr Regnier Haegelsteen	Member

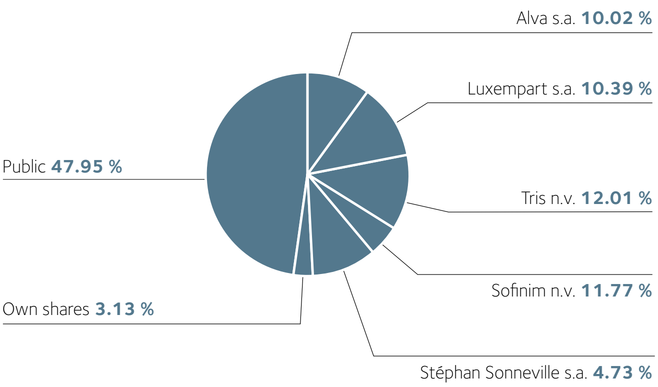
COMPOSITION OF THE EXECUTIVE COMMITTEE

(as at 15 March 2013)

Name	Title
Stéphan Sonneville for Stéphan Sonneville s.a.	Managing Director, C.E.O. and Chairman of the Executive Committee
Sidney D. Bens	Chief Financial Officer
Laurent Collier for Strat-Up sprl	Executive Officer
William Lerinckx for Probatimmo bvba	Executive Officer
Olivier Ralet for Olivier Ralet BDM sprl	Executive Officer

Information to shareholders & investors

SHAREHOLDING ON 31.12.2012



MAJOR SHAREHOLDERS

The Group's major shareholders have included the following companies:

- Sofinim n.v., a subsidiary of the Ackermans & van Haaren Group
- Tris n.v.
- Luxempart s.a.
- Alva s.a.
- Stéphan Sonneville s.a.

These shareholders are committed to supporting the Group in its development strategy by cooperating in the implementation of its business plan and by providing their skills to it. Their representation within the Board of Directors of ATENOR GROUP allows them to be actively involved in the general policy and the strategy of the Group. This body of shareholders, which is balanced and made up of stable companies that have proven themselves in their respective activity sectors, have a long term vision of their investment in the Group. The stability of this group of shareholders is expressed concretely by mutual commitments in a shareholders' agreement extended in 2011 for a period of five years, thus guaranteeing favourable conditions for the Group's growth.

TYPE OF SHARES

Further to the decision of the Extraordinary General Meeting of 28 April 2006, the Articles of Association stipulate the automatic conversion of the bearer shares into dematerialised shares as of 1 January 2008.

The ATENOR GROUP shares exist, at the choice of the shareholder, either in the form of a personal registration in the register of shareholders, or in the form of a registration of a securities account with a financial institution.

STRUCTURE OF SHAREHOLDERS

On 31 December 2012, the structure of shareholding is as follows:

	Number of shares	Holdings %	of which shares forming part of the joined shareholding
TRIS n.v. (1)	604,880	12.01	604,880
SOFINIM n.v. (1)	592,880	11.77	592,880
LUXEMPART s.a. (1)	523,500	10.39	505,000
ALVA s.a. (1)	504,880	10.02	504,880
Stéphan SONNEVILLE s.a. (1) (2)	238,542	4.73	150,500
Sub-total	**2,464,682**	**48.92**	**2,358,140**
Own shares	157,583	3.13	
Public	2,416,146	47.95	
Total	**5,038,411**	**100.00**	

(1) Signatories of the Shareholders'Agreement
(2) Managing Director, company controlled by Mr Stéphan Sonneville

In compliance with article 74 of the law of 1 April 2007, these shareholders have communicated to the company that they held as a joined holding, at the date of entry into effect of the aforementioned law, more than 30% of the securities with voting rights.

ATEB LISTED NYSE EURONEXT

SHARE ON STOCK EXCHANGE

Market	on a continuous basis
Stock Exchange	NYSE Euronext Brussels
ATENOR GROUP share	ISIN BE 0003837540 Compartment B
Total number of shares granting a voting right (suspended right for 157,583 own shares)	4,880,828
Total number of voting rights (denominator)	5,038,411
List price of the share on 31 December 2012	€ 32.05

STIMULATION CONTRACT AND LIQUIDITY FUND FOR THE ATENOR GROUP SHARE

ATENOR GROUP has continued a market stimulation arrangement or "liquidity provider" function with the Degroof Bank, officially recognised by NYSE Euronext. This tried and tested formula consists of putting liquidity funds back-to-back with a market stimulation contract.

ATENOR GROUP thus places a fund made up of cash and shares at the disposal of the Degroof Bank, which enables it to increase the liquidity of the stock, quite independently of the issuer.

This "liquidity provider" is permanently present in the market's order book and acts for buying and selling alike.

EVOLUTION OF THE PRICE AND LIQUIDITY OF THE SHARE - LIST PRICE FROM 2008 TO 2012

Number of shares on 31 December 2012: 5,038,411

	2008	2009	2010	2011	2012
Maximum price (€)	54.49	42.45	40.22	35.65	35.50
Minimum price (€)	34.75	33.00	31.55	21.28	24.24
Price on 31 December (€)	38.00	35.40	33.54	24.21	32.05
Average daily volume traded	2,687	1,860	1,792	1,858	1,856
Market capitalization on 31 December (in millions €)	191.46	178.36	168.99	121.98	161.48

DIVIDEND

The gross dividend proposed to the General Assembly of 26 April 2013 will amount to 2.00 euro, that is a net dividend after withholding (25%) of 1.50 euro per share.

At the same Assembly it will be presented to the shareholders of ATENOR GROUP to offer, by way of an optional dividend, the possibility of contributing their receivable that results from the distribution of the dividend to the capital of ATENOR GROUP.

Within the framework of this optional dividend, the shareholders will have the choice between:

- the contribution of their receivable to a net dividend to the capital of ATENOR GROUP in exchange for new ATENOR GROUP shares;
- the payment of the dividend in cash; or
- a combination of the two options mentioned above.

The conditions and procedures of this operation will be described in the Information Note available on the ATENOR GROUP's Internet site.

The financial service of ATENOR GROUP responsible for payment of dividends up to and including the coupon nr. 6 (relating to 2011) is provided by Degroof Bank (designated as main paying agent).

- **Degroof Bank (main paying agent)**
  Rue de l'Industrie, 44 in 1040 Brussels

The financial service charged with the optional dividend (coupon nr. 7 relating to 2012) is provided by Euroclear Belgium.

- **Euroclear Belgium**
  Boulevard du Roi Albert II, 1 in 1210 Brussels

Subject to the approval of the Ordinary General Assembly and the assignment of securities obtained within the framework of the exercising of the optional dividend, the dividend will be paid out as from 30 May 2013.

The payment to the registered shareholders who have made the choice of the payment of the dividend in cash will be made by bank transfer as from 30 May 2013.

THE PAYMENT OF THE DIVIDEND

Ex date	29 April 2013
Record date	2 May 2013
Period for the shareholders to make their choice	from 6 May to 22 May 2013 inclusive
Publication of the press release concerning the results of the operation	23 May 2013
Date of payment in cash and/or of the issuing of new shares	30 May 2013
Listing of new shares on NYSE Euronext Brussels	30 May 2013

SHAREHOLDERS SCHEDULE

Intermediate declaration for first quarter 2013 Annual General Meeting 2012 and communication relating to the terms and modalities of the optional dividend	26 April 2013
Dividend payment (subject to the approval of the GM and the assignment of securities obtained within the framework of the exercising of the optional dividend)	30 May 2013
Half-year results 2013	27 August 2013
Intermediate declaration for third quarter 2013	14 November 2013
Annual results 2013	6 March 2014
Annual General Meeting 2013	25 April 2014

Report of activities & projects

DURING 2012, ATENOR GROUP MANAGED ELEVEN PROJECTS IN THE PORTFOLIO TOTALLING NEARLY 650,000 M² WITH A TEAM OF 37 STAFF.

City Docks

ANDERLECHT / BELGIUM

In 2011, ATENOR GROUP acquired industrial buildings on a parcel of land (± 5.40 ha) located in Anderlecht, along the Canal de Willebroek.

With regard to the large area of the parcel, Atenor Group carried out a general discussion in order to create real social and urban cohesion within a multifunctional island (residences, commercial spaces, workshops, school, day care centres, offices, rest home, polyclinic, sports facilities, hotel, restaurant, catering establishment, etc.).

This discussion, in phase with the new "demographic" Regional Land Development Plan (PRAS) of the Brussels-Capital Region, grants special attention to quality and to architectural diversity as well as to the incorporation of green spaces and public spaces.

The synergies of the functions and the scale of the new district will enable the development of a sustainable neighbourhood with rational management of energy. The former tenant of the industrial site is currently working on the decontamination and demolition works that fall under its responsibility.

LOCATION	On the edge of the Canal de Willebroek, at the corner of the Rue de la Petite Île and the Boulevard Industriel, Anderlecht, Belgium
PROJECT	Mixed urban (facilities, residences, offices)
OWNER	Immobilière de la Petite Île s.a. (100% Atenor Group)
CONTRACTING AUTHORITY	Immobilière de la Petite Île s.a.
SIZE	> 125,000 m²

www.up-site.be

UP-site

BRUSSELS / BELGIUM

Established along the Willebroek Canal in Brussels, UP-site is a mixed urban complex that focuses around three distinct entities: a 140 metre tall residential Tower with an emblematic architectural design (251 apartments), "The Terraces" (four buildings totalling 106 apartments) of a more traditional size, and an office complex consisting of four buildings (30,000 m²).

The Tower will house an array of customised services such as a caretaker's office, swimming pool, Spa & Wellness centre, private film screening room, restaurant, play space for the children, skydeck, etc.

A promenade developed along the banks of the canal will accommodate commercial spaces and local facilities designed to contribute to the new dynamism of the district. The keen interest stimulated by the development of the neighbourhood has led to marked enthusiasm for this complex. In 2012, the B4 and B3 buildings were transferred respectively to ETHIAS (insurance and loans) and to UNIZO (Union of independent contractors). Launched in February 2012, the commercialisation of the apartments in the Tower has been received very positively. After six months, 40% of the apartments in the Tower had already found buyers. Since February 2013, the UP-lounge has been enabling future buyers to assess the exceptional location, the quality of the building and the excellence of the finishing.

LOCATION	Between the Quai des Péniches, the Place des Armateurs and the Quai de Willebroek, Brussels, Belgium
PROJECT	Mixed complex of residences, commercial spaces and offices
OWNERS	Atenor Group and its subsidiaries
CONTRACTING AUTHORITY	Build UP
SIZE	Residential units: Tower: 39,800 m² - The Terraces: 13,275 m² Offices: 29,690 m² - Commercial areas: 1,650 m²
ARCHITECTS	Ateliers Lion Architectes-Urbanistes (Paris) and A2RC Architects (Brussels)
GENERAL CONTRACTOR	Consortium BPC - Valens
TECHNICAL DATA	Gas heaters / Gas cogeneration / Solar panels / Double flow ventilation / Green roof
BEGINNING OF WORKS	Asbestos removal and demolition: 2008 / Beginning of infrastructure works: July 2010
END OF WORKS	First offices: June 2012 / Residential units: end of 2013 (for the first building of The Terraces) / Tower: June 2014

Hermès Business Campus

HERMES BUSINESS CAMPUS
EXPERIENCE THE DIFFERENCE

BUCHAREST / ROMANIA

In Bucharest, ATENOR GROUP is banking on the development of a complex of buildings with offices and commercial spaces covering more than 78,000 m² in the Pipera administrative zone. In January 2010, the Romanian company NGY (fully owned subsidiary of Atenor Group) obtained an urban planning permit for the building of the project to be implemented in three phases. Characterised by its architectural restraint and the flexibility of its spatial organisation, the Hermès Business Campus project is designed above all to meet the requirements of the local market. On this basis and with its location that is confirmed as relevant, Atenor Group continued the works of the first phase of the project. Starting in November 2013, the Group will offer the market high-performance areas with a comparative advantage in terms of efficiency of use and energy savings. In the end, all the buildings should obtain the BREEAM environmental certification with a rating of "Excellent".

LOCATION	Bld Dimitri Pompeiu, 2nd District, Bucharest, Romania
PROJECT	Construction of an office complex
OWNER	NGY Propertiers Investment srl (100% Atenor Group)
CONTRACTING AUTHORITY	NGY Propertiers Investment srl
SIZE	78,000 m²
ARCHITECTS	West Group Architecture srl
GENERAL CONTRACTOR	Alpine Bau GmbH
TECHNICAL DATA	Breeam "Excellent"
BEGINNING OF THE WORKS	In the course of 2010 (1st phase)
END OF THE WORKS	November 2013 (for Building B)

Vàci Greens

BUDAPEST / HUNGARY

www.vacigreens.hu

In 2008, ATENOR GROUP acquired control of a set of plots (1.7 ha) to build nearly 87,800 m² of offices fronting on Vaci Ut. Adapted to the expectations of the local market, the "Vaci Greens" project concerns the construction of an enormous and comfortable complex of office buildings laid out around a landscaped area accessible to the public. At the heart of the famous Vaci Office Corridor business district, near the Danube and the roads leading into the city, the project is ideally served by the public transport network. In July and September 2010, the three Hungarian subsidiaries of Atenor Group obtained the permit to build, in three phases, a complex of more than 57,800 m² as well as the BREEAM environmental certification grade of "Excellent". The various buildings of the project will be phased and commercialised separately. Thus building B will already be available starting in June 2013 and will offer a leasing area of 18,000 m².

Vaci Greens will be the only new development in Budapest to be put on the market in 2013 and will consequently represent the sole alternative for any company that wants to relocate to a new building.

LOCATION	Vaci ut, 13th District, Budapest, Hungary
PROJECT	Construction of office buildings
OWNERS	City View Tower Kft, City Tower Kft and Drews City Tower Kft (100% Atenor Group)
CONTRACTING AUTHORITY	Atenor Group Hungary Kft
SIZE	Phase 1 (3 buildings): 57,800 m² / Phase 2 (2 buildings): 30,000 m²
ARCHITECTS	TIBA Epitesz Studio Kft (Budapest)
GENERAL CONTRACTOR	CFE Hungary
TECHNICAL DATA	Breeam "Excellent" / Recovery of rainwater / Use of recyclable materials / Low energy heating
BEGINNING OF THE WORKS	January 2011 (Phase 1 - Building A)
END OF THE WORKS	End of 2013 for the first building of phase 1

Brussels Europa

BRUSSELS / BELGIUM

In June 2005, ATENOR GROUP acquired the hotel Crowne Plaza Brussels Europa in order to convert it into a high-quality mixed real estate complex. Established at the corner of the Rue de la Loi and the Chaussée d'Etterbeek, this project, named Brussels Europa, fits into the logic of the redevelopment of the European Quarter.

Entrusted to the French architecture and urban planning firm "Atelier Christian de Portzamparc", the development of this perimeter rests on two fundamental principles: promote the international visibility of Brussels via luxury offices while humanising the European Quarter. For the Brussels Europa project, special attention is therefore paid to the functional mixing of the building (residences, commercial spaces and offices), the sustainable dimension of the materials and the construction methods, as well as to the development of public spaces in order to offer high-quality services to the inhabitants of the quarter.

Expedited by the Brussels-Capital Region, the impact study relating to the draft RRUZ (Regional Zoned Planned Regulation) of the Rue de la Loi has been launched. Closely following the launch, ATENOR GROUP designed its new project responding to the parameters of the PUL (Paysage Urbain Loi) and submitted a new application for a permit at the end of 2012. The works should start up after the urban planning permit is obtained, at the earliest in 2014.

LOCATION	Rue de la Loi and Chaussée d'Etterbeek, Brussels-Capital Region, Belgium
PROJECT	Mixed complex of commercial spaces, residences and offices
OWNER	Brussels Europa s.a. (100% Atenor Group)
ARCHITECTS	BURO II & ARCHI+I

Victor

BRUSSELS / BELGIUM

In 2008, ATENOR GROUP concluded an agreement in principle with BREEVAST and CFE to develop a major urban project on the merged basis of their respective properties. Established facing the South Station on the edge of Place Horta, the property base of the project (continued by Atenor Group and CFE alone) totals around 7,500 m² in the island bordered by Rue Blérot (Place Horta part), Rue Bara and Rue Paul-Henri Spaak.

Entrusted to the French architectural firm "Atelier Christian de Portzamparc" and the Brussels firm M. & J-M. Jaspers - J. Eyers & Partners, the project, a complex of offices, residential units and commercial spaces, clearly provides appropriate responses to the new requirements, both economic and demographic, that the evolution of a coherent and flourishing "Midi Centre" imposes.

Further to the application for an urban planning permit submitted on 22 December 2010, and to the recommendations of the impact study, an amended project was submitted in March 2013. For the district of the Midi railway station, the Brussels Capital-Region is orienting itself toward the definition of a master plan in which, in particular, the Victor project is suitable. Contacts with tenant candidates are continuing.

LOCATION	Rue Blérot – Place Victor Horta (facing the South Station) – Brussels-Capital Region, Belgium
PROJECT	Mixed complex of offices, commercial spaces and residences
OWNERS	Victor Estates s.a. - Victor Properties s.a. - Immoange s.a.
CONTRACTING AUTHORITY	Victor Estates s.a.
SIZE	110,755 m² of offices / 7,200 m² of residential units / 1,875 m² of commercial spaces / 415 parkings
ARCHITECTS	Atelier Christian de Portzamparc (Paris) and Bureau d'Architecture M. & J-M. Jaspers – J. Eyers & Partners
GENERAL CONTRACTOR	BPC

Port du Bon Dieu

NAMUR / BELGIUM

In 2007, ATENOR GROUP planned to build a residential complex on the banks of the Meuse, on a site previously allocated to industry. To take care of the development of the "Port du Bon Dieu" project, Atenor Group appealed to the architectural firms Montois Partners Architects and the Atelier de l'Arbre d'Or (Namur). Their mission: design a residential complex making the most relevant use of ecological elements.

With this in mind, the project is focused on bringing out the role of water, the incorporation of green spaces, and the rigorous choice of sustainable construction techniques. Located in proximity to the major road axes, the railway station, public transport, river shuttles, and an enormous park and ride station, the project is also playing the mobility card.

After several years of urban planning procedures, in September 2012 Atenor Group obtained the urban planning permit for the construction of 131 residences, and by the end of April 2013 is expecting the permit for nine additional residential units. The demolition works as well as the commercialisation of phase 1 of the project began in January 2013.

LOCATION	Space called "Port du Bon Dieu", Namur, Belgium
PROJECT	Programme of 140 apartments, five commercial spaces or spaces for professional services, and one restaurant
OWNER	Namur Waterfront s.a. (100% Atenor Group)
SIZE	20,580 m²
ARCHITECTS	Montois Partners Architects & l'Atelier de l'Arbre d'Or
TECHNICAL DATA	Green roofs / Excellent thermal and acoustic insulation / Double flow ventilation / Very high quality finishing
BEGINNING OF WORKS	Spring 2013
END OF WORKS	Phase 1: mid-2015

Trebel

BRUSSELS / BELGIUM

In July 2011, ATENOR GROUP acquired the headquarters of a former bank (20,000 m² of offices on a plot of more than 40 ares) in order in the end to build an offices complex of top quality. Ideally located at the corner of Rue Belliard and Rue de Trèves (European Area), this project meets the strategic criteria aimed at by Atenor Group: exceptional location at the heart of the European Quarter, accessibility via public transport, friendliness of the public space, architectural and environmental qualities... Atenor Group has entrusted the project to the Jaspers - Eyers architectural firm so that it can propose different scenarios and optimise the unique potential of a project situated in immediate proximity to the Gare du Luxembourg railway station (Brussels). Endowed with remarkable architectural quality, in addition the building will be constructed according to high-performance energy regulations. In June 2012, the project was the object of a provisional acquisition agreement signed by the European Parliament.

The application for an urban planning permit is ongoing. The works could start in 2013.

LOCATION	At the corner of Rue Belliard and Rue de Trèves in Brussels, Brussels-Capital Region, Belgium
PROJECT	Office complex
OWNER	Atenor Group s.a.
CONTRACTING AUTHORITY	Atenor Group s.a.
SIZE	± 29,500 m²
ARCHITECTS	M. & J.M. Jaspers - J. Eyers & Partners

Les Brasseries de Neudorf

LUXEMBOURG / GRAND DUCHY OF LUXEMBOURG

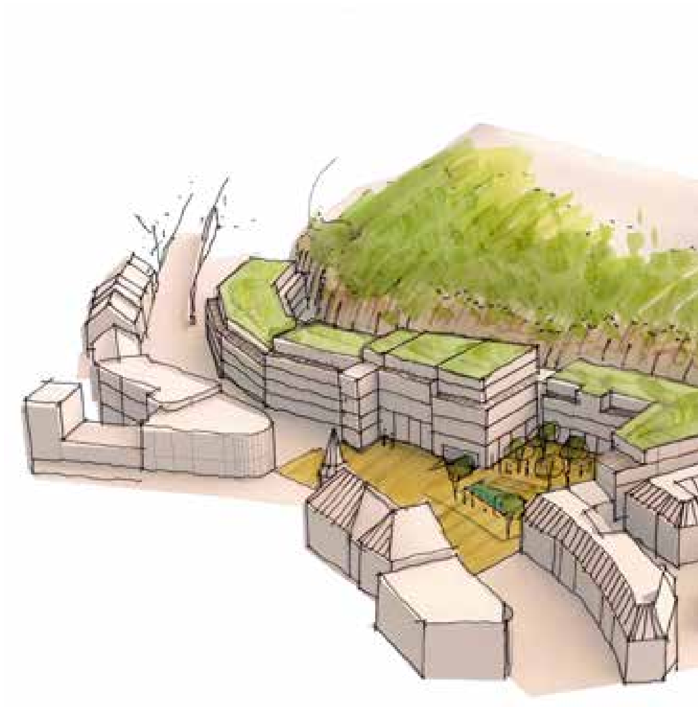
In September 2011, ATENOR GROUP acquired the company HF Immobilier s.a., the owner of the site of the former Henri Funck brewery located in the Rue de Neudorf in Luxembourg City. Objective of the operation: transform this abandoned former industrial site into an enormous mixed project of 11,400 m² consisting primarily of luxury residences but also with some nearby offices and commercial spaces. The Special Development Plan (Plan d'Aménagement Particulier) for the site, designed by the architect Tatiana Fabeck, received final approval in March 2013.

Entrusted to the Luxembourg architectural firm Steinmetz Demeyer, the project stipulates the creation of around 90 residences and 1,500 m² of commercial spaces and office.

A public place intended to become the centre of urban life in the district will be developed and consist of green spaces and recreational facilities. It will also accommodate local events that will enliven the district.

Remarkably located in one of the most dynamic and most attractive areas of the Luxembourg capital, opposite the Plateau du Kirchberg and a few steps from the city centre, the site is ideally served by public transport. The works, which will begin in 2013, should be completed in the first half of 2015.

LOCATION	Rue de Neudorf, Luxembourg, Grand Duchy of Luxembourg
PROJECT	Essentially residential complex enhanced with offices and commercial spaces
OWNER	HF Immobilier s.a. (100% Atenor Group)
SIZE	11,400 m²
ARCHITECTS	Steinmetz Demeyer
BEGINNING OF WORKS	Planned for the end of 2013
END OF WORKS	Planned for the first half of 2015



Area of the New Station

MONS / BELGIUM

In August 2012, ATENOR GROUP acquired two sets of parcels totalling 7.2 ha in Mons in order to establish a sustainable complex (heating by deep geothermal energy) of residences, offices and commercial spaces there.

Located in immediate proximity to the future "Calatrava" railway station, the "Les Grands Prés" commercial shopping centre, the future Ikea, the Imagix cinema complex and the Mons Expo exhibition hall, this project is strategically established in the heart of a rapidly changing part of the city.

With its wealth of expertise in large-scale mixed urban developments, Atenor Group is working closely together with the local authorities. Its objective: create urban planning coherence within the new district while interacting harmoniously with the City of Doudou (via in particular the future HST railway station by the architect Santiago Calatrava).
An initial development phase has been launched within the scope of an urban planning permit to be obtained on the basis of the Municipal Development Plan (Plan Communal d'Aménagement) in effect.

LOCATION	Site of the Grands Prés, in the district of the future "Calatrava" railway station in Mons, Belgium
PROJECT	Residential, including residences, commercial spaces, and offices
OWNER	Mons Properties s.a. (100% Atenor Group)
CONTRACTING AUTHORITY	Mons Properties s.a.
ARCHITECTS	Holoffe & Vermeersch (1st phase)

The Former Sugar Site

ATH / BELGIUM

Joined together with a multidisciplinary team, in 2012 ATENOR GROUP won the competition organised by the city of Ath to acquire and develop a 19,711 m² plot of land located on the site of the former sugar processing plant, along the canal and near the railway station. Taking the size of the project into account, Atenor Group wants to develop a new exemplary city district based on an innovative concept of group living. The project (± 20,000 m²) provides for mixing together types of residences (single-family houses, apartment, lofts, etc.), generational mixing and high-quality common areas to be shared (collective vegetable gardens, day-care centre, rest home, etc.). This ideally located project benefits from direct access to public transport and incorporates a new traffic plan at the scale of part of the city.

LOCATION	The district of the railway station, Ath, Belgium
PROJECT	Residential including residential units, commercial spaces, a day-care centre and a rest home
OWNER	Atenor Group s.a.
CONTRACTING AUTHORITY	C.P.P.M. s.a.
SIZE	± 20,000 m² of residential units
ARCHITECTS	DDS & Partners and Holoffe and Vermeersch
BEGINNING OF THE WORKS	2nd half of 2013

Corporate governance

In its capacity as a listed company, ATENOR GROUP attaches major importance to the principles of Corporate Governance aimed at establishing clear rules for its administration, organization and management in the interests of all stakeholders. These principles provide the stakeholders and the market in general with a guarantee of reliability and transparency of the communicated information.

THE REFERENCE CODE

ATENOR GROUP applies the principles of Corporate Governance published in the Belgian Corporate Governance Code 2009 (hereafter the "Code"), which it has adopted as a reference code.

The corporate governance charter was not subject to amendments in 2012. The latest version of the charter is available on the website of ATENOR GROUP (www.atenor.be).

In accordance with the "comply or explain" approach of the Code, the Board of Directors also draws attention to the following deviations from the Code:

- Principle 4.13 of the Code: Contrary to the provisions of the Code, the individual contribution of the Director is not subject to periodic evaluation unless in the context of a re-election procedure. The Board of Directors considers that such an individual evaluation is not required at this time to ensure the proper functioning of the Board. The Chairman of the Board maintains regular bilateral contacts with each of the Directors outside Board meetings. The Board will, however, carry out such formal evaluations if, in view of particular circumstances, this proves to be necessary or required.
- Principle 5.4/3: On delegation from the Board, and in deviation from the specification of the Code, the Nomination and Remuneration Committee (N&RC) also has a decision-making power in certain matters which concern the remuneration (as described in more detail in section IV.2 of the Corporate Governance Charter). The Board is of the opinion that the N&RC, based on the Board of Directors' guidelines on this matter, has all the necessary skills to take on this role.
- Principle 5.2/4 and Principle 5.4/1 of the Code: The Audit Committee includes only one independent Director. In view of the fact that the Audit Commitee, in its present composition, functions properly, the Board of Directors (including the members of the Audit Committee) is of the opinion that a majority of independent Directors is currently not necessary to ensure the proper functioning of the Audit Committee. As mentioned above, members of the Audit Committee, as do all Directors in general, act independently and none of them is able to dominate the decision-making within the Audit Committee. Due to the stable shareholding structure of ATENOR GROUP consisting of several independent groups, none of which exceeds 20% of the capital, the members of the Audit Committee ensure the balanced functioning of the Audit Committee.

THE SHAREHOLDERS

THE SHAREHOLDERS AS AT 31 DECEMBER 2012

Insofar as the shareholders' structure is concerned, readers are referred to page 12 of this Annual Report.

RELATIONSHIP WITH THE LEADING SHAREHOLDERS

In July 1997, a group of Belgian investors acquired the participation of Lonrho Plc and committed for a period of five years through a shareholders agreement to a long-term vision regarding their participation in ATENOR GROUP. This agreement was extended in 2002 for a period of five years and was amended in September 2005.

In November 2006, the Luxembourg investment company LUXEMPART s.a. acquired, outside the stock exchange, 10.09% of the capital of ATENOR GROUP from the shareholders ALVA, 3D, SOFINIM and DEGROOF.

On this occasion, a new shareholders' agreement totalling 47.37% of the capital was concluded for a period of 5 years between the shareholders ALVA, 3D, SOFINIM, Stéphan SONNEVILLE s.a. and LUXEMPART. This shareholders' agreement has now been extended for a further period of five years.

This shareholders' agreement expresses the common vision of the reference shareholders as to the strategy of the company and its rules of governorship and organizes their concerted action in this direction; this shareholders' agreement also sets up reciprocal preemption rights in the event of a transfer of shares.

In accordance with article 74 of the law of 1 April 2007 concerning public acquisition offers, the shareholders have notified the FSMA (Financial Sercvices and Markets Authority) and the company of the holding, in concert between them, of more than 30% of the capital of the company.

The company is unaware of any other relationship or private agreement between the shareholders.

POLICY CONCERNING PROFIT SHARING

As regards the policy for allocating and sharing the profit, the Board of Directors intends to propose to the General Shareholders' Meeting a standard remuneration in the form of a dividend while ensuring that the Group preserves a healthy balance sheet structure and sufficient resources to ensure its growth.

With this in mind, the Board of Directors will propose an optional dividend formula to the General Assembly.

THE BOARD OF DIRECTORS AND ITS COMMITTEES

THE BOARD OF DIRECTORS

With regard to the composition of the Board of Directors, readers are referred to page 10 of this Annual Report.

To date, the Board of Directors consists of three independent Directors, Mrs Anne-Catherine Chevalier, Prince Charles-Louis d'Arenberg and SOGESTRA sprl, represented by Mrs Nadine Lemaitre.

Insofar as its functioning is concerned, the Board of Directors met five times in 2012 (and took a unanimous written decision). The attendance of the Directors is summarized as follows:

Name	Present	Represented	Excused
Frank Donck	5		
Stéphan Sonneville s.a. represented by Stéphan Sonneville	5		
Prince Charles-Louis d'Arenberg	5		
Baron Luc Bertrand	4	1	
Anne-Catherine Chevalier (as from the 2012 GA)	4		
Marc De Pauw	5		
Regnier Haegelsteen	3	1	1
Luxempart s.a. represented by François Tesch	5		
Philippe Vastapane	5		
Sogestra sprl, represented by Nadine Lemaître	5		

The articles of ATENOR GROUP provide for decisions being taken by absolute majority of the voters. However, the decisions have always been taken by consensus of the members present or represented.

During these meetings, aside from obligatory or legal subjects, the Board handled the following subjects, among others: the intermediate and forecasted results of ATENOR GROUP and of its subsidiaries, the monitoring of the principal projects, the company's strategy, the analysis and the decisions concerning investments and financing as well as the evaluation rules.

The position of Secretary of the Board is assumed by Olivier Ralet BDM sprl, represented by Mr Olivier Ralet.

More information on the role and the responsibilities of the Board of Directors such as its composition and its functioning is included in the Corporate Governance Charter of ATENOR GROUP (www.atenor.be).

THE AUDIT COMMITTEE

With regard to the composition of the Audit Committee, readers are referred to page 11 of this Annual Report.

The Audit Committee met four times in 2012. The attendance of the members is summarized as follows:

Name	Present	Represented	Excused
Frank Donck	4		
Prince Charles-Louis d'Arenberg	4		
Marc De Pauw	4		
Philippe Vastapane	4		

During these meetings, in addition to the obligatory or legal subjects, the Audit Committee inter alia dealt with the following matters: monitoring of the internal audit, examination of the litigation in progress, including the consequences of the "sociétés de liquidités" and analyses of the consolidated undertakings and rights. More information on the role and the responsibilities of the Audit Committee such as its composition and functioning can be found in section IV.3 of the Corporate Governance Charter of ATENOR GROUP (www.atenor.be).

THE NOMINATION AND REMUNERATION COMMITTEE

With regard to the composition of the Nomination and Remuneration Committee, readers are referred to page 11 of this Annual Report.

The Nomination and Remuneration Committee met two times in 2012. The attendance of the members is summarized as follows:

Name	Present	Represented	Excused
Sogestra SPRL, represented by Nadine Lemaître	2		
Prince Charles-Louis d'Arenberg	2		
Regnier Haegelsteen	2		

More information on the role and the responsibilities of the Nomination and Remuneration Committee such as its composition and functioning can be found in section IV.2 of the Corporate Governance Charter of ATENOR GROUP (www.atenor.be).

EVALUATION PROCESS FOR THE BOARD OF DIRECTORS, ITS COMMITTEES AND ITS MEMBERS

Under the direction of its Chairman, the Board of Directors regularly examines and evaluates its size, composition, its performance and that of its Committees as well as its interaction with the Management. The Board of Directors learns the lessons from the evaluation of its performances by recognizing its strong points and correcting its weaknesses. Where appropriate, this will involve proposing the appointment of new members, proposing not to re-elect existing members or taking any measure deemed appropriate for the efficient functioning of the Board of Directors.

As mentioned hereinabove and contrary to the provisions of the Code, the performance of individual Directors is not normally evaluated if this is not part of the re-election procedure. The Board considers that such an individual evaluation is no longer required to ensure the proper functioning of the Board. It will, however, carry out such evaluations if, in view of particular circumstances, it proves to be necessary or required.

However the performance of the CEO is evaluated in a specific way. Each year, the Nomination and Remuneration Committee determines the CEO's objectives for the coming financial year and evaluates his performance over the past twelve months.

The Nomination and Remuneration Committee and the Audit Committee regularly re-examine (at least every two or three years) their rules, evaluate their own effectiveness and recommend necessary changes to the Board of Directors.

More information on the evaluation process of the members of the Board of Directors and its Committees can be found in sections III.2 and IV.1 of the Corporate Governance Charter of ATENOR GROUP (www.atenor.be).

THE MANAGEMENT

THE MANAGEMENT (THE EXECUTIVE COMMITTEE)

With regard to the composition of the Executive Committee, readers are referred to page 11 of this Annual Report.

More information on the role and responsibilities of the Executive Committee such as its composition and functioning can be found in section V.3 of the Corporate Governance Statement of ATENOR GROUP (www.atenor.be).

POLICY OF PARTNERSHIP WITH THE MANAGEMENT

ATENOR GROUP encourages the members of its management to invest on a purely personal basis in the shareholding of the company.

This policy intends to involve the Management more, not only in the growth of the whole of ATENOR GROUP, but also in the selection, management and appreciation of each real estate project. Furthermore, this partnership policy thus contributes to aligning the interests of the Management with those of ATENOR GROUP by associating it in the risks and the perspectives of its activities from a long-term point of view.

The members of Management and staff have acquired significant stakes in the capital of ATENOR GROUP and the CEO is a party to the here above-mentioned shareholder agreement.

Concerning the implementation of this partnership policy, see also the declaration concerning the remuneration policy below.

CONFLICTS OF INTEREST

The members of the Board of Directors refrain from any and all deliberation or decision which concerns their personal, commercial or professional interests. This principle did not have to be applied in the course of the year 2012.

REGULATED INFORMATION

- There are no statutory restrictions on the voting rights, with the exception of Article 32 of the Articles of Association, which reproduces Article 541 of the Companies Code.
- There are no special control rights (with the exception of what is covered above on the subject of the Shareholders' Agreement).
- The process of appointment and replacement of the members of the Board of Directors and of its Committees is described in the Corporate Governance Charter of ATENOR GROUP.
- An amendment to the Articles of Association is adopted validly only if it obtains three-quarters of the votes of those taking part in the voting.
- The General Assembly of 22 April 2011 authorised ATENOR GROUP to alienate, on behalf of the company and in conformity with Article 620 of the Companies Code, the company's own shares at a maximum rate of twenty per cent (20%) of the total of the shares issued, at a minimum unit price of 1.00 euro and a maximum unit price of ten per cent (10%) higher than the average of the last ten quoted market prices preceding the operation, and to authorise the subsidiaries of the company in terms of Article 627 of the Companies Code to acquire or alienate its shares under the same conditions. This authorisation is valid for a period of five years starting on the date of the General Assembly of the Shareholders of 2011.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

ATENOR GROUP has implemented the legal provisions of the law of 6 April 2010 and the recommendations of the Corporate Governance Code of 2009 concerning internal control and risk management. In this context, ATENOR GROUP has adapted its own guidelines for internal control and risk management on the basis of the general principles described in the guidelines written up by the Corporate Governance Commission.

In compliance with the legal provisions, the principal characteristics of the internal control and risk management systems within the framework of the process of establishment of the financial information can be described as follows:

CONTROL ENVIRONMENT

The accounting and financial department is organised in such a way as to have at its disposal, with a sufficient degree of security, the resources and the access to financial information necessary for drawing up the financial statements.

The CFO of the group is responsible for the establishment of the accounts and the financial information; he distributes among the members of his team the tasks to be fulfilled in order to close the accounts.

A manual of accounting principles and procedures has been drawn up, specifying at Group level the accounting principles of the most important operations. This manual also includes the procedures for explaining the principal rules for reprocessing in the event of the application of different bases of accounting at the time the financial statements are drawn up. Within the framework of the preparation of the consolidated accounts, there are also procedures for disseminating the instructions aiming at ensuring they will be taken into account by the subsidiaries.

Each year, in a timely manner, the CFO specifies the allocation of the responsibilities with regard to the accounting tasks, as well as the timing to be complied with.

RISK MANAGEMENT

The company has defined objectives regarding the preparation of the financial information. These objectives are expressed primarily in terms of quality, compliance with companies law and accounting law and in terms of time periods.

The responsibilities as regards risk management in the preparation of the financial information have been defined in a general way and communicated to the people concerned. They are recalled each year and if need be, updated.

The company has identified the legal and regulatory obligations concerning communication regarding the risks in the preparation of the financial information.

Under the responsibility of the CFO, regular communication is maintained between the people who have a role in the preparation of the financial information, in such a way as to identify the principal risks that could affect the process of preparing the financial information.

For these principal identified risks, through people with the appropriate skills, the company provides for a double verification of the process in such a way as to sharply reduce the probability of the occurrence of the risk.

The adoption of or the changes in accounting principles are taken into account as soon as their obligating event occurs. There is a process that makes it possible to identify the obligating event (decision, change of legislation, change of activity, etc.). These changes are the object of approval by the management body.

In general, the risks in the process of preparation of the financial information are dealt with through a programme of tests and verifications carried out by the internal audit, under the responsibility of the Audit Committee, on the one hand, and on the other hand by specific actions on the part of the Audit Committee or the Board of Directors.

The surveillance of the risk management procedures in the preparation of the financial information is therefore exercised continuously and with cross-checks by the Board of Directors and its Audit Committee, by the CEO and the CFO and by the Internal Audit.

CONTROL ACTIVITY

The daily accounting operations, the monthly payments, the quarterly, half-year and annual closings and reporting at group level are all procedures that make it possible to ensure that the manual of accounting principles and procedures is correctly applied. In addition the internal audit programme, approved by the Audit Committee, provides regular verification through its targeted tests of the risk areas identified by the Audit Committee.

Weekly meetings devoted to each of the projects are organised by the Executive Committee, chaired by the CEO, to verify the key processes converging in the preparation of the accounting and financial information:

- at the level of investments and disinvestments;
- at the level of intangible, tangible and goodwill capital assets;
- at the level of financial assets;
- at the level of purchases and suppliers and related issues;
- at the level of cost prices, stocks and work in progress, long-term or construction contracts;
- at the level of cash assets, financing and financial instruments;
- at the level of advantages granted to the staff;
- at the level of taxes, duties and related issues;
- at the level of operations on the capital;
- at the level of reserves and undertakings.

There are procedures to identify and resolve new accounting problems, not foreseen, in the manual of accounting principles and procedures.

The accounting and internal financial control activity includes procedures to ensure the preservation of the assets (risk of negligence, of errors or of internal or external fraud).

The group's procedures for preparing financial statements are applicable in all the components of the perimeter of consolidation, without exception.

INFORMATION AND COMMUNICATION

Procedures and information systems have been put in place to satisfy the requirements of reliability, availability and relevance of the accounting and financial information.

Detailed reporting, quarterly as a minimum, makes it possible to relate back the relevant and important accounting and financial information at the level of the Audit Committee and the Board of Directors. In the event it is necessary, a multi-channel communication system makes it possible to establish direct and informal contact between the CEO and the members of the Executive Committee on the one hand, and between the CEO and the members of the Board of Directors on the other hand.

The roles and responsibilities of the managers of the information system have been defined.

The information systems relating to the financial and accounting information are the object of adaptations to evolve with the needs of the company. A management system for orders and incidents has been implemented.

The relations with the information technology service providers have been documented. Performance and quality indicators have been defined and are the object of periodic review. The degree of dependency of the company in respect of information technology service providers was analysed. Verifications at the service provider sites were provided for contractually by the company and carried out.

There is a process to reveal a decrease in the quality of service. The analysis and the establishment of corrective actions are envisaged.

The computer system is sufficiently secured by:

- a process of access rights to the data and the programs;
- an anti-virus protection system;
- a system of protection in the event of working in a network;
- a device for saving and safeguarding the data;
- continuity of service measures;
- a system of physical access rights to the installations.

These security measures are the object of periodic tests and changes in order to ensure their effectiveness.

There is a schedule recapitulating the periodic regulatory obligations of the group on the issue of communication of the financial information to the market. This schedule stipulates:

- the nature and the deadline for each periodic obligation;
- the people responsible for their establishment.

There are managers and procedures for the purposes of identifying and complying with the regulatory obligations of informing the market.

There is a procedure providing for verification of the information before its dissemination.

STEERING

ATENOR GROUP has set up measures making it possible to ensure that the accounting principles selected that have a significant impact on the presentation of the financial statements correspond to the activity and to the environment of the company and have been formally validated by the Audit Committee and approved by the Board of Directors. The internal quarterly reporting prepared by all the members of the Executive Committee, the revision of this reporting by the CEO and the CFO working cooperatively, the examination of this reporting by the Audit Committee (with the auditor present) before presentation and discussion in the Board of Directors constitute the cornerstone of the steering measure of the system for controlling the financial information.

The reporting includes the accounting choices and the evaluation rules selected for writing up the financial statements.

It also deals with cash management anticipation of future financial commitments and situations of major tensions. The drawing up and presentation of the financial statements, including the balance sheet, the profit and loss accounts, the annexes and the financial situation are therefore explained to the Board of Directors at each closing of financial accounts to be published.

The financial information published periodically is reviewed in advance and analysed by the Audit Committee (with the auditor present) before being approved by the Board of Directors.

EXTERNAL AUDIT

The external audit was carried out (on the consolidated figures as well as on the unconsolidated figures) by the Auditor MAZARS scrl, represented by Mr Philippe Gossart. His annual fees amounted to 45,000 euro. The total of the Auditor's fees for his audit work for ATENOR GROUP and for its subsidiary companies increased in 2012 to 89,444 euro. The Auditor carried out and invoiced for additional services for an amount of 16,400 euro.

The Audit Committee received from the Auditor the declarations and information necessary to assure itself of his independence.

REMUNERATION REPORT

PROCEDURE

As stated in section IV.2 of the Corporate Governance Charter, the Nomination and Remuneration Committee is tasked with making proposals to the Board of Directors concerning the remuneration policy for the non-executive Directors.

Moreover, the Nomination and Remuneration Committee has received from the Board of Directors, inter alia, the task of ruling:

- on the remuneration paid directly or indirectly to the CEO and the other members of the Management on the basis of the principles approved by the Board, including any variable remuneration and the formulas for long-term profit-sharing, whether linked or not to shares, granted in the form of options on shares or other financial instruments such as on the agreements concluded concerning early termination;
- on the granting to the CEO, and the other members of the Management, of shares, options on shares and all other rights to acquire shares in the Company and on the number of shares to be granted to the personnel, all without prejudice to the specific competences of the General Meeting and the Board of Directors as to the approval of the plans for attribution and the issue of certificates;
- on the implementation and the conditions of the partnership policy with the Management.

GENERAL DECLARATION ON THE REMUNERATION POLICY

The management (including the CEO) receives a remuneration package essentially consisting of a basic remuneration as the case may be supplemented by a variable annual remuneration (bonus) in specific cases for special services by a member of the Management.

ATENOR GROUP has also set up a stock option plan, as detailed in the "ATENOR GROUP Stock Option Plan" section, under which the Nomination and Remuneration Committee can make awards to members of the management (including the CEO) and staff.

Furthermore, for several years the Board of Directors has considered that the participation of the Management as co-investor with the Company in real estate projects is an essential motivation element. With this in mind, in the course of 2012 ATENOR GROUP set up a co-investment company ("ATENOR GROUP PARTICIPATIONS" or "AGP"). AGP was established for an unlimited period. All shares of AGP are held (directly or indirectly) by ATENOR GROUP. It was agreed that AGP will invest with ATENOR GROUP in all projects in the portfolio for a period corresponding to the respective duration of the development of each project and up to maximum of 10% of the shareholding or the economic interest of ATENOR GROUP in the project. Options on AGP shares are granted to members of Management, some staff and designated suppliers. The number and characteristics of options granted, exercised or expired are subject to a special statement in the annual remuneration report. The added value that the beneficiaries of these options could derive from exercising them takes into account a priority return for shareholders of ATENOR GROUP and can be influenced by dividends of AGP paid to ATENOR GROUP. The existence of this structure does not entail significant changes to the remuneration policy in respect of the fiscal year covered by the annual report.

In view of the foregoing, the relative importance of the various components mentioned above can vary greatly from year to year. Options on AGP shares, however, represent the bulk of the incentive to be given to the CEO and members of Management. A variable remuneration (bonus) as mentioned above shall be granted only in special cases for special services.

The Company does not envisage modifying its remuneration policy in the next two years.

NON-EXECUTIVE DIRECTORS

The remuneration of the non-executive Directors takes into account their role as ordinary Directors, and their specific roles in their capacity as Chairman of the Board, chairman or members of committees, as well as their resulting responsibilities and the time devoted to their functions. This overall remuneration is consistent with market practices and reflects the level of responsibility and the nature of his/her position. It is adopted by the Board on the proposal of the N&RC.

The non-executive Directors do not receive either remuneration related to their performance, such as a bonus and formulas for long-term profit-sharing, or benefits in kind and benefits associated with pension or other plans.

For carrying out the mandate of non-executive Directors in the financial year 2012, the Board of Directors will propose at the General Meeting a lump sum of 225,000 euro as Directors' fees. These, as the case may be, will be distributed as follows:

- 50,000 euro for the Chairman
- 20,000 euro for each of the non-executive Directors, whether they are members of a Committee of the Board of Directors or not
- an additional 5,000 euro for each of the Presidents of a committee of the Board of Directors
- an additional 5,000 euro for each of the non-executive Directors and members of two committees of the Board of Directors.

CEO

The remuneration received directly or indirectly by the CEO is generally defined for both his role on the Board of Directors and directly or indirectly in the Company and its subsidiaries. The total remuneration, both fixed and variable, of the CEO is determined by the Nomination and Remuneration Committee, based on an assessment of the collaboration taking place at the end of each year and based on the principles approved by the Board.

As specified above and in Section V.4 of the Corporate Governance Charter, AGP stock options account for most of the incentive to be given to the CEO. Variable remuneration is granted by the N&RC only in specific cases for special services by the CEO.

The total amount of the remuneration allocated for the 2012 financial year amounted to 503,402 euro and can be broken down as follows (company cost):

- basic remuneration (VAT excluded): 435,324 euro
- variable remuneration: 68,078 euro
- contributions to a pension plan: there were no contributions for a pension plan
- other advantages: there were no other advantages

In addition, for the year 2012 the CEO realised added value of 152,691 euro further to the exercise of options that had been allocated to him on AGP shares. Finally, he did not receive options on ATENOR GROUP shares for the 2012 financial year. More information about the AGP stock options and on the options on ATENOR GROUP group shares granted, exercised or expired in 2012 is given below. The remuneration of the CEO does not include the assignment of shares of ATENOR GROUP or of a subsidiary.

The Company did not deviate significantly from its remuneration policy during the accounting period covered by the annual report.

MEMBERS OF THE MANAGEMENT (OTHER THAN THE CEO)

The level and structure of the remuneration of the Management (management companies and salaried employees) is such that they allow the recruitment, loyalty and motivation of qualified and skilled professionals taking into account the nature and the extent of responsibilities assumed directly or indirectly in the Company and its subsidiaries.

At the end of each year, the collaboration with each member of the Management is subjected to an evaluation process (based on a standardised and detailed evaluation form) in order to determine whether the respective member has achieved the targets that were agreed upon during the evaluation of the preceding year. In addition to the daily informal contacts, this evaluation is conceived as a moment of exchanging views that permits to guide the collaboration with each member of the Management. Insofar as the members of the Management are concerned, this evaluation is held with the CEO, who reports on the evaluation to the Nomination and Remuneration Committee.

As mentioned above and as specified in section V.4 of the Corporate Governance Charter, options on AGP shares represent the main part of the incentive to be given to members of the Management. A variable remuneration (bonus) as mentioned above shall be granted only in special cases for specific performances by a member of the Management.

On an overall basis, the amount of the remunerations and other benefits granted directly or indirectly to the members of the Management (other than the CEO) by the Company or its subsidiary companies allocated for the 2012 financial year, amounted to 1,192,351 euro and can be broken down as follows (company cost):

- basic remuneration (VAT excluded / gross salaries): 1,089,003 euro

- variable remuneration: 77,260 euro
- contributions to a pension plan: 15,279 euro
- other benefits: 10,809 euro (car/gsm/portable computer)

The members of the Management received in addition, for the 2012 financial year, added value of 357,471 euro further to the exercise of options that had been assigned to them on AGP shares. Finally, they did not receive options on ATENOR GROUP shares for the 2012 financial year.

More information about stock options on AGP shares and on options on ATENOR GROUP shares granted, exercised or expired in 2012 is given below. The remuneration of the Management does not include the assignment of shares of ATENOR GROUP or a subsidiary.

The Company did not deviate significantly from its remuneration policy during the accounting period covered by the annual report.

ATENOR GROUP STOCK OPTION PLAN

The number and the key characteristics of the options on shares granted in 2012 to the members of the management (including the CEO) are as follows:

- Stéphan Sonneville 7,200
- Sidney D. Bens 6,500
- Laurent Collier 6,500
- William Lerinckx 6,500
- Olivier Ralet 6,500

The exercise price of the option is equal to 23.46 euro per option and the options can be exercised from 10 March to 8 April 2016 and from 2 to 30 September 2016. The benefit in kind that these options represent is 2.11 euro per option. This advantage was granted in 2012 for performance in 2011.

No options were exercised or expired in 2012.

Since 1 January 2013, the Nomination and Remuneration Committee has not granted options on ATENOR GROUP shares for performance in 2012.

ATENOR GROUP PARTICIPATIONS STOCK OPTION PLAN

Options on AGP shares were granted to members of Management (including the CEO) for the first time in 2012.

The number and key characteristics of these options are listed below:

- Stéphan Sonneville 299
- Sidney D. Bens 175
- Laurent Collier 175
- William Lerinckx 175
- Olivier Ralet 175

The exercise price of the options was 1,000 euro per option, corresponding to the net asset value (NAV) on 31 December 2011 and, in accordance with the approval given by the General Assembly of 27 April 2012, these options may be exercised either from 11 March to 29 March 2013 or from 10 March to 28 March 2014. The benefit in kind that these options represented amounted to 180 europer option. All these options were exercised in March 2013, as explained below.

New options on AGP shares were granted on 7 March 2013 by the Nomination and Remuneration Committee to the members of the Management (including the CEO).

The number and the key characteristics of these options are covered below:

- Stéphan Sonneville 299
- Sidney D. Bens 175
- Laurent Collier 175
- William Lerinckx 175
- Olivier Ralet 175

It will be proposed that the General Assembly of 26 April 2013 approve the issuing of these options and that it be possible to exercise these options from 10 March 2014 to 28 March 2014 and from 9 March 2015 to 27 March 2015.

These options have an exercise price that corresponds to the net asset value (NAV) on 31 December 2012, after allocation, that is 1,026 euro per share. The benefit in kind that these options represent amounted to 184.70 euro per option.

COMPENSATION IN THE EVENT OF DEPARTURE

The appointment contract of the members of the Management (including the CEO) does not provide for severance pay (except for the normal application of the labour law).

RIGHT TO CLAIM

No specific right to claim variable remuneration that has been granted to the Management (including the CEO) on the basis of erroneous financial information has been established for the benefit of the Company.

2012 Audited financial statements

Statement of compliance with the IFRS:

The consolidated financial statements on 31 December 2012 have been drawn up in compliance with international standards for financial information (IFRS – 'International Financial Reporting Standards') as approved in the European Union and provide a true and fair view of the assets, of the financial situation, of the results of ATENOR GROUP and of the enterprises included in the consolidation.

The management report contains a true reflection of the development of the business, the results and the situation of s.a. ATENOR GROUP and the consolidated companies as well as a description of the main risks and uncertainties with which they are confronted.

Sidney D. BENS CFO	Stéphan SONNEVILLE s.a. CEO

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ATENOR GROUP has chosen French as its official language. Consequently, only the French text is authentic. The versions in Dutch and English are translations of the French version.

Dit jaarverslag is ook verkrijgbaar in het Nederlands.

Ce rapport est également disponible en français.

Summary

Management report

to the Annual General Meeting of Shareholders on 26 April 2013

Ladies and Gentlemen,

We have the honour of presenting to you the Management Report of your company's 102nd financial year and of submitting for your approval the Annual Accounts as at 31 December 2012, along with our proposals for the allocation of profits.

The consolidated results for 2012 amount to 9.49 million euro, compared with 11.32 million euro in 2011.

TURNOVER, REVENUE FROM THE ORDINARY ACTIVITIES AND OPERATIONAL PROFIT (LOSS)

The turnover amounts to 45.45 million euro. This turnover comes primarily from the sales connected with the UP-site project, more specifically the sale of three office buildings respectively to the Ethias Group, to Unizo and to PMV, and the sale of 83 apartments that have been the object of deeds of sale and of preliminary sales agreements.

The operating result amounts to 8.75 million euro, primarily influenced just like the turnover by the sale of three office buildings and of apartments (the recorded result being prorated according to the state of progress of the works). The rent paid in relation to the City Docks project in Anderlecht also contributed to the operating result.

The net financial result amounts to -3.12 million euro, compared with -3.09 million euro in 2011, taking into account the financial costs connected with the 2010-2015 bond issue and the prorated financial costs connected with the second bond issue of October 2012. The progress in the works of the UP-site project and the start-up of the Port du Bon Dieu project in Namur have led to the activation of the financial costs connected with these two projects for a total amount of 2.9 million euro.

Deferred tax expense: In compliance with IAS 12 and the situation of the fiscal losses of ATENOR, the UP-site project (at the time it was launched) resulted in the recording of deferred tax assets. In 2012, the impact of the taking back these deferred taxes amounted to 1.27 million euro. Within the scope of the TREBEL project, a deferred tax asset of 5.37 million euro was recorded in the accounts of the first half of 2012 as a consequence of the signing of a preliminary sales agreement with the European Parliament.

Taking the preceding factors into account, the **net result** of the financial year amounts to 9.49 million euro.

NET FINANCIAL INDEBTEDNESS

As at 31 December 2012, the group has a net financial indebtedness of 131.85 million euro, compared with a net financial indebtedness of 93.55 million euro as at 31 December 2011. The group's indebtedness consists, on the one hand, of the long-term debt (permanent capital) of 198.39 million euro including two bond issues (compared to 107.11 million euro on 31 December 2011) and, on the other hand, a net positive cash position of 66.45 million euro.

OWN SHARES

During 2012, ATENOR GROUP acquired 70 own shares. As at 31 December 2012, ATENOR GROUP held 157,583 own shares acquired at an average price of 40.45 euro for a total amount of 6.37 million euro. These shares are also intended to cover the 2007 to 2012 stock option plans.

PROJECTS IN OUR PORTFOLIO

ATENOR's portfolio reflects a recognised positioning in niches in the residential and office real estate market that are undergoing growth: the development of mixed and dense projects through the reconversion of obsolete sites in the urban environment. The increasing demand for accessible new residences and for high-performance offices underpins ATENOR's activities.

The portfolio currently includes 11 projects under development with a total of approximately 650,000 m².

More specifically, the projects experienced the following developments:

UP-SITE - CANAL AREA, BRUSSELS

The UP-site project under construction contributed extensively to the 2012 results both in terms of its offices and in terms of its apartments.

The delivery of the B4 offices to Ethias (leased to Smals) and B3 to Unizo-Zenito (for their own occupation) as well as the sale of B2 to PMV (leased to GO) are all steps contributing to the results, but also evidence of the excellent positioning of the UP-site project and of the renovation of the district. Only the B1 block (± 10,000 m²) remains available for letting/sale, while it is still under construction.

As far as the residential units are concerned, the commercialisation of the apartments in the tower and the "terrace buildings" is progressing in a positive market for acquisitions that is being slowed down, however, among other things by the contraction in mortgage loans.

As its construction continues (currently at level +26), this emblematic tower is establishing itself in the Brussels skyline by accordingly increasing its attractiveness, providing the city with a structural landmark and offering ATENOR an incomparable reference.

PORT DU BON DIEU - NAMUR

The urban planning permit for the construction of 131 apartments was issued at the end of September 2012. We started the preliminary soil clean-up and demolition works without delay. The construction works will begin in the spring of 2013. The commercialisation of an initial block of 46 apartments was already launched in January 2013 and is confirming the market interest in this unique project in Namur.

HERMES BUSINESS CAMPUS - BOULEVARD D. POMPEIU, BUCHAREST

The construction of the first phase is continuing (18,000 m², delivery planned for November 2013) in a market that is still being driven by a demand for the establishment or relocation of multinational corporations, active in different sectors. The marks of interest in taking up partial leases are increasing. A first lease contract (for a limited area of ± 650 m²) was signed with a prestigious tenant, confirming the good positioning of the project in the market in terms of quality-price ratio and location.

VACI GREENS - VACI CORRIDOR, BUDAPEST

It has been confirmed that the A building (17,362 m²) whose delivery is planned for June 2013 will be the only new building to be put on the office market in Budapest. In a market that is certainly depressed, but nonetheless still driven by the concern for the relocation of certain companies, Vaci Greens presents itself as the only efficient and competitive option for these companies looking for a reduction in operating costs.

Several contacts confirm this differentiated positioning, without it being possible yet to pinpoint the commercial materialisation.

VICTOR - SOUTH STATION, BRUSSELS

The procedure for obtaining the urban planning and environmental permits is longer than initially estimated, due to the fact that the impact study recommended increasing the residential part of this large-scale project. The modifications have been made to the project (taking the residential part to more than 10,000 m²) and submitted on 6 March 2013, which should make it possible to finalise the obtaining of the permits within the course of 2013, in parallel with the creation of an urban development plan for the district around Midi. Moreover, contacts with potential candidates for leases are continuing.

TREBEL - RUE BELLIARD, BRUSSELS

The application for an urban planning permit submitted in December 2011 met with an unfavourable opinion at the end of December 2012 from the Consultation Committee (City of Brussels). Within the normal framework of the urban planning procedure for this type of project, the case is currently being examined by the regional administration. ATENOR is taking into account the suggested modifications in order to be able to realize this high-quality project that was acquired by European Parliament in June 2012 (subject to permit).

BRUSSELS EUROPA - RUE DE LA LOI, BRUSSELS

We submitted an application for an urban planning permit in December 2012 concerning a new mixed project of 44,000 m², within the parameters of the PUL (Paysage Urbain Loi); the impact study should be launched shortly. It is already probable that the project will have to be adapted in the course of the impact study in such a way as to incorporate the parameters imposed by the RRUZ (Regional zoned planned regulation) that will soon be adopted by the Government of the Brussels Region. This constitutes nonetheless important progress for this exceptional location.

LES BRASSERIES DE NEUDORF – LUXEMBOURG

The draft PAP (Plan d'Aménagement Particulier, special development plan) concerning the site of the former Henri Funck breweries in Luxembourg was approved by the City of Luxembourg, in the normal course of the procedure. According to the estimated schedule, the urban planning procedure will lead, probably in October 2013, to an urban planning permit authorising the construction of ± 10,000 m² of residential units and commercial spaces.

CITY DOCKS - CANAL AREA, ANDERLECHT

The new PRAS (Regional Land Development Plan) should be adopted by the Government of the Brussels Region at the end of March 2013. This draft PRAS stipulates, in particular for the City Docks parcel, a change of functions, which is required for the development of a major mixed urban project.

We are confident in the potential of this project because its development is in line with some of the challenges which the Brussels-Capital Region faces.

The former tenant of the industrial site is currently working on the soil clean-up and demolition work.

AREA OF THE NEW STATION - MONS

We finalised the acquisition of this plot of land in December 2012. Background: this concerns a set of parcels totalling around 7 ha and located alongside the site of the new railway station, the future Ikea and the shopping gallery "Les Grands Prés". We have submitted an application for an initial urban planning permit for the construction of a block of 78 residential units within the scope of the existing PCA (Plan Communal d'Aménagement – Municipal development plan). Other urban planning tools are currently under discussion with the commune and regional authorities in order to promote a harmonious development of the whole of this new district.

THE FORMER SUGAR SITE - ATH

ATENOR won a competition, organised by the municipality, concerning the development of ± 20,000 m² of residential units on the site of the former sugar site in the neighbourhood of the railway station of Ath. Since the acquisition was in the course of finalisation, in December we were able to submit an application for a permit for the renovation of the historic building located on the site in order to create 16 residential units there and an area for (public) facilities.

SOUTH CITY HOTEL - SOUTH STATION, BRUSSELS

The hotel, under the PARK INN brand, generated a very good operating result in 2012. Considering the financial markets, which are not very favourable to investment for this type of property, notwithstanding its quality, ATENOR decided, jointly with its partners, to postpone the commercial endeavours to sell the company holding the hotel.

OTHER DEVELOPMENTS

The on-going judicial procedure regarding liquidity companies ("société de liquidités"), in which in particular ATENOR and several of its management are involved, continued without there being any new material element to be noted.

As ATENOR has stated since the beginning of these judicial procedures and has repeatedly stated in its annual reports, ATENOR and its management feel that they have not committed any fraud or infraction and are confident that their good faith will be acknowledged in court.

EVENTS AFTER THE CLOSING DATE

No important event occurring since 31 December 2012 must be noted.

PROSPECTS FOR THE FULL YEAR 2013

The year 2012 provided ATENOR, particularly through the successful bond issue of 60 million euro, with the stability and the financial resources necessary to implement its diversified portfolio.

The very specific niches in the market in which ATENOR is active remain dependent on complex urban planning procedures, and therefore the schedules planned for the completion of projects are subject to changes.

Moreover the real estate market, both for residences and for offices, is closely connected with economic climate, especially in Belgium, but also in Budapest and Bucharest where we are particularly present.

In these general conditions marked by uncertainty, but with qualitative fundamental parameters, ATENOR will devote all its human and financial resources to the full development of the assets in its portfolio, without nonetheless being able to express itself at this stage on the timing of the future results or the level of profitability to be expected.

FINANCIAL INSTRUMENTS

The information relating to the use of derivatives is given in the annual financial report.

STOCK OPTION PLANS

On 13 January 2012 ATENOR GROUP issued a third tranche of 49,000 options on own shares intended for members of the management and staff. The options which have been accepted can be exercised during the periods from 10 March to 8 April 2016 and from 2 to 30 September 2016 at the unit price of 23.46 euro corresponding to the average listing on the stock exchange for the 30 days prior to issue.

OTHER INFORMATION

The company does not have either a branch or any R&D activity.

APPLICATION OF THE INTERNATIONAL ACCOUNTING STANDARDS (IFRS)

The financial information of 2012 has now been agreed and presented in accordance with the IFRS standards as adopted in the European Union. The annual financial report has been made available to the shareholders. It forms an integral part of the present management report.

ALLOCATION OF PROFITS (CORPORATE RESULTS OF ATENOR GROUP S.A.)

ATENOR GROUP s.a.'s statutory annual accounts show a corporate profit for the tax year of € 4,744,282.85.

Apart from the operations reflected in the consolidated accounts, the 2012 profits/losses is primarily explained by the sales of long leases connected with the UP-site project and of management of general and structural expenses as well as financial charges primarily related to our two bond issues.

Your Board proposes you to approve the annual accounts as at 31 December 2012 and allocate the corporate financial year's profit of ATENOR GROUP s.a. as follows:

Profit for the year	€ 4,744,282.85
Profit carried forward	€ 47,678,201.93
Profit to be allocated	**€ 52,422,484.78**
Directors 'entitlements	€ 225,000.00
Capital remuneration (*)	€ 9,761,656.00
Profit to be carried forward	**€ 42,435,828.78**

(*) suspension of the entitlement to dividend on own shares

PROPOSED DIVIDEND

The Board of Directors will propose, to the General Assembly of 26 April 2013, the payment (for the financial year 2012) of a gross dividend of 2.00 euro per share, that is, a net dividend after withholding tax (25%) of 1.50 euro per security and, for the first time, in the form of an optional dividend.

The option of receiving the dividend in shares while keeping the dividend amount unchanged is the balanced method chosen by the Board of Directors to confirm the remuneration policy while opening up the possibility of strengthening the group's equity. This proposal has received the support of the reference shareholders.

STATEMENT ON CORPORATE GOVERNANCE

Regarding the Corporate Governance Statement (including, among others, the remuneration report (in compliance with Article 96§3 of the Companies Code), the description of systems of internal control, of the risk management and the other regulatory information aimed at in Article 34 of the Royal Decree of 14 November 2007), reference is made to Appendix 1.

It is an integral part of this report and is also repeated in its entirety in the annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

ATENOR GROUP's activities consist in the realisation of real estate developments, either directly or through subsidiaries.

ATENOR GROUP is faced with the risks and uncertainties inherent in this activity and, in particular, the changes in international economic trends and the markets in which the buildings are constructed, and the changes in the bases of the financial markets, such as interest rates and the volume of funds intended for investment.

The Board of Directors is attentive to the analysis and management of the various risks and uncertainties to which ATENOR GROUP and its subsidiaries are subject.

Furthermore, the Board of Directors sets out three identified risks in the legal proceedings with which ATENOR GROUP is confronted:

- In the context of the tax dispute involving what are known as "Liquidity Companies", which could concern more than 700 companies in Belgium, major charges were brought against certain of the Group's former subsidiary companies. These companies had been sold, more than twelve years ago, to investors introduced and recommended to ATENOR GROUP by intermediaries and banking institutions of repute.

  It transpired that these investors might have embezzled the liquidities of the acquired companies and failed to fulfil their tax obligations by not proceeding with any reinvestment as announced. These tax disputes, which do not relate to ATENOR GROUP directly, have given rise to criminal complaints or civil proceedings, mainly against the buyers and the intervening banks but also against ATENOR and certain members of its management.

  Currently, ATENOR GROUP and some of its directors are still involved in three ongoing proceedings before the examining courts.

  Within the scope of the on-going judicial procedure regarding "Erasmonde – American Energy", the Grand Jury of Brussels is expected to rule soon on the appeal directed against an order for referral pronounced in September 2011, against 13 companies and people including ATENOR GROUP and Stéphan Sonneville, the representative of Stéphan Sonneville s.a. (ATENOR GROUP's CEO).

  Within the scope of the "E. Migeotte / Société Générale (France)" case, the Council Chamber of Turnhout in February 2012 dismissed the charges with regard to ATENOR GROUP and certain of its directors in office at the time of the events but this order was appealed by the Public Ministry. The proceedings are therefore following their course.

  Finally, the "D-side - Cabepo" case is currently pending before the Court of Appeals of Brussels; it referred the case "sine die", one of the parties having requested additional investigative measures.

  In general, ATENOR GROUP, which fully and honestly cooperated in the investigations carried out by the legal and tax authorities, confirms that it has not committed any fraud either with regard to tax law or to company law, and is confident that its good faith will be acknowledged in all of the above mentioned files.

- As regards the PIXEL building in Luxembourg, general contractors Soludec and CIT Blaton issued a summons against ATENOR GROUP for reimbursement of penalties for which ATENOR GROUP had obtained payment by calling on bank guarantees (0,54 million euro) and as payment for various other damages).

  On 9 March 2012, the District Court of Luxembourg partially accepted this request, to the limit of 0.37 million euro. On 24 May 2012, ATENOR GROUP, appealed this ruling and set aside provisions in the 2012 in the amount of 0.37 million euro.

- A dispute opposes Atenor Group Luxembourg to the consortium of the contractors Soludec, CIT Blaton and Van Laere, to whom the construction of the PRESIDENT building was entrusted. ATENOR is asking in court in particular for the application of contractual penalties for lateness, while the contractors are claiming various damages.

  A court-ordered appraisal is under way. Atenor Group Luxembourg has called upon the bank guarantees set up for its benefit. From them it obtained payment (5.06 million euro) by ruling in February 2011. This ruling was confirmed in December 2012 by the Court of Appeals of Luxembourg. This amount has not been recorded in the consolidated results.

ATENOR GROUP is of the opinion that the claims the Group is facing are unfounded and, consequently, except as mentioned above for the PIXEL building, no provision has been made for dealing with these disputes.

ADMINISTRATION – CORPORATE GOVERNANCE

- Your Board proposes that discharge would be granted to the directors and to the auditor for the financial year closed on 31 December 2012.
- On the proposal of the Appointments and Remuneration Committee, your board proposes that the mandates as director of Luxempart s.a. represented by Mr François Tesch and of Stéphan Sonneville s.a. represented by Mr Stéphan Sonneville would be renewed for a period of three years. These mandates, which could be remunerated, will expire at the end of the Ordinary General Assembly of 2016.

La Hulpe, 7 March 2013

For the Board of Directors.

Consolidated income statement

In thousands of EUR	Notes	2012	2011
Revenue	2 and 3	**45,943**	**36,456**
Turnover		45,452	35,719
Property rental income		491	693
Other operating revenue		0	44
Other operating income	2 and 3	**3,801**	**13,135**
Gain (loss) on disposals of financial assets		936	7,325
Other operating income		2,865	5,797
Gain (loss) on disposals of non-financial assets		0	13
Operating expenses (-)	2 and 3	**-40,990**	**-36,083**
Raw materials and consumables used (-)		-52,089	-52,956
Changes in inventories of finished goods and work in progress		28,905	42,669
Employee expenses (-) *	4	-2,993	-6,273
Depreciation and amortization (-)		-181	-360
Impairments (-)		613	-344
Other operating expenses (-)	5	-15,245	-18,819
Result from operating activities - EBIT	2 and 3	**8,754**	**13,508**
Financial expenses (-)	6	-4,315	-4,507
Financial income	6	1,195	1,415
Share of profit (loss) from investments consolidated by the equity method		-568	-820
Profit (loss) before tax		**5,066**	**9,596**
Income tax expense (income) (-)	7	4,424	1,583
Profit (loss) after tax		**9,490**	**11,179**
Post-tax profit (loss) of discontinued operations		0	0
Profit (loss) of the period		**9,490**	**11,179**
Attributable to minority interest		1	-142
Group profit (loss)		**9,489**	**11,321**

In EUR	Notes	2012	2011
Earnings per share			
Number of shares	8	5,038,411	5,038,411
Basic earnings	8	1.88	2.25
Diluted earnings per share	8	1.88	2.25
Proposal of gross dividend per share	8	2.00	2.00

In thousands of EUR		
Other elements of the overall profit and losses		
Group share result	**9,489**	**11,321**
Translation adjusments	857	-4,647
Cash flow hedge	99	225
Overall total results of the group	**10,445**	**6,899**
Overall profits and losses of the period attributable to third parties	1	-142

* End of hotel activities

Consolidated balance sheet

ASSETS

In thousands of EUR	Notes	2012	2011
Non-current assets		**45,412**	**40,496**
Property, plant and equipment	11	362	433
Investment property		0	0
Intangible assets	10	4,910	5,370
of which goodwill		4,875	5,338
Investments in related parties	16	74	1
Investments consolidated by the equity method	12	10,085	8,300
Deferred tax assets	18	13,395	8,591
Other non-current financial assets	16	16,450	17,711
Derivatives		0	0
Non-current trade and other receivables	17	4	7
Other non-current assets	17	132	83
Current assets		**349,374**	**237,909**
Assets held for sale	14	1,546	1,506
Inventories	15	230,467	197,146
Other current financial assets	16	96,707	28,580
Derivatives		0	0
Current tax receivables	17	1,307	1,770
Current trade and other receivables	17	16,511	5,433
Current loans payments	17	11	0
Cash and cash equivalents	17	2,009	2,529
Other current assets	17	816	945
Total assets		**394,786**	**278,405**

LIABILITIES AND EQUITY

In thousands of EUR	Notes	2012	2011
Total equity		**98,743**	**97,518**
Group shareholders' equity		**98,605**	**98,107**
Issued capital		38,880	38,880
Reserves		66,100	65,600
Own shares (-)	8	-6,375	-6,373
Minority interest		**138**	**-589**
Non-current liabilities		**200,156**	**113,297**
Non-current interest bearing borrowings	21	164,310	92,243
Non-current provisions	19	398	0
Pension obligation	22	34	63
Derivatives	21	165	616
Deferred tax liabilities	18	8,786	8,912
Current trade and other payables	21	26,463	11,463
Current liabilities		**95,887**	**67,590**
Current interest bearing debts	21	66,255	32,416
Current provisions	19	1,052	2,471
Pension obligation	22	9	55
Derivatives	21	0	99
Current tax payables	21	1,092	827
Current trade and other payables	21	18,368	22,065
Other current liabilities	21	9,111	9,657
Total equity and liabilities		**394,786**	**278,405**

Consolidated cash flow statement (indirect method)

In thousands of EUR	2012	2011
Operating activities		
Profit/loss after tax (excl. discontinued operations)	9,490	11,178
Result of investments consolidated by the equity method	568	820
SOP / IAS 19	201	350
Depreciations (+/-)	203	386
Write off (+/-)	-613	1,813
Provisions (+/-)	-1,076	-265
Translation adjustments (+/-)	-15	125
Profits/losses on assets disposals	-833	-7,338
Own construction capitalized	0	-43
Deferred taxes (+/-)	-5,120	-1,754
Cash flow	**2,805**	**5,272**
Increase/decrease in inventories	-31,954	-49,148
Increase/decrease in receivables	-10,412	2,472
Increase/decrease in debts	26,256	14,542
Increase/decrease in working capital	**-16,110**	**-32,134**
Cash from operating activities (+/-)	**-13,305**	**-26,862**
Investments activities		
Acquisitions of intangible and tangible assets	-114	-120
Acquisitions of financial investments	-86	-26,389
New loans	-1,165	-2,994
Subtotal of acquired investments	**-1,365**	**-29,503**
Disposal of intangible and tangible assets	0	13
Disposal of financial investments	957	6,298
Reimbursement of loans	71	0
Subtotal of disinvestments	**1,028**	**6,311**
Cash from investment activities (+/-)	**-337**	**-23,192**

In thousands of EUR	2012	2011
Financial activities		
Capital increase	0	45
Own shares	-2	-102
New long-term loans	91,354	14,463
Reimbursement of long-term loans	0	0
Dividends paid by parent company to its shareholders	-9,877	-9,659
Fees paid to the directors	-205	-170
Cash from financial activities (+/-)	**81,270**	**4,577**
Changes in scope of consolidation and exchange rate	-20	1,071
Net cash variation	**67,608**	**-44,406**
Opening value of cash accounts in balance sheet	31,108	75,514
Closing value of cash accounts in balance sheet	98,716	31,108

The "new loans granted" (-1.17 million euro) were granted primarily to the subsidiaries consolidated by the equity method, IMMOANGE and VICTOR PROPERTIES (VICTOR project).

The sales of financial assets (+0.96 million euro) exclusively concern the transfer to PMV-GO of UP 36 holding the residual rights on the sub-soil in block 2 of the UP-site project.

The "new long term debt" totals 91.35 million euro net of issuing expenses. This covers the bond issue for 60 million euro issued on 26 October 2012, an eight-year MTN for 13.5 million euro as well as the advance of 15 million euro received from the European Parliament within the framework of the provisional sale agreement of the TREBEL project signed on 27 June 2012.

Background: the cash flows in 2011 were significantly impacted by:

- the acquisitions of fixed financial assets (-26.39 million euro): more precisely the companies IMMOBILIERE DE LA PETITE ILE (CITY DOCKS project) and HF IMMOBILIER in Luxembourg (LES BRASSERIES DE NEUDORF project);
- the transfers (+6.30 million euro) on the one hand of the company IDM A to the residential SICAFI AEDIFICA and, on the other hand of the investment in UP 38 to ETHIAS SA;
- two long-term loans, that is the remaining balance due (11.46 million euro) within the framework of the long-term lease related to the TREBEL project and two MTN (3 million euro).

Consolidated statement of change in equity

In thousands of EUR	Notes	Issued capital	Hedging reserves	Own shares	Consolidated reserves	Profit/ loss of the period	Cumulative translation adjusments	Minority interests	Total Equity
2011									
Balance as of 01.01.2011		**38,880**	**-324**	**-6,271**	**75,108**	**-**	**-6,300**	**-562**	**100,531**
Profit/loss of the period		-	-	-	-	11,321	-	-142	**11,179**
Other elements of the overall results	2	-	225	-	-	-	-4,647	-	**-4,422**
Total comprehensive income		**-**	**225**	**-**	**-**	**11,321**	**-4,647**	**-142**	**6,757**
Paid dividends and directors' entitlements		-	-	-	-9,932	-	-	-	**-9,932**
Own shares	1	-	-	-102	-	-	-	-	**-102**
Share based payment		-	-	-	368	-	-	-	**368**
Others		-	-	-	-219	-	-	115	**-104**
Balance as of 31.12.2011		**38,880**	**-99**	**-6,373**	**65,325**	**11,321**	**-10,947**	**-589**	**97,518**
2012									
Balance as of 01.01.2012		**38,880**	**-99**	**-6,373**	**76,646**	**-**	**-10,947**	**-589**	**97,518**
Profit/loss of the period		-	-	-	-	9,489	-	1	**9,490**
Other elements of the overall results	2	-	99	-	-	-	857	-	**956**
Total comprehensive income		**-**	**99**	**-**	**-**	**9,489**	**857**	**1**	**10,446**
Paid dividends and directors' entitlements		-	-	-	-9,967	-	-	-	**-9,967**
Own shares	1	-	-	-2	-	-	-	-	**-2**
Share based payment		-	-	-	222	-	-	-	**222**
Others		-	-	-	-200	-	-	726	**526**
Balance as of 31.12.2012		**38,880**	**-**	**-6,375**	**66,701**	**9,489**	**-10,090**	**138**	**98,743**

(1) The own shares acquired since 2008 will serve to cover an option plan concerning a total of 300,000 existing shares (Annual Stock option plans issued from 2007 to 2012). See note 9 (Capital) and note 22 (Employee benefits).

(2) In 2008, the Group acquired Hungarian and Romanian companies. It holds also a subsidiary in the Czech Republic for many years. ATENOR opted for the use of the local currency as the functional currency in each of these countries. The positive (Hungary and Czech Republic) and negative (Romania) conversion differences of the period noted in the shareholders' equity were impacted by the changes in these currencies, resulting in an overall negative impact.
See note 16 (Financial assets) and note 23 (Risk management).
Background: the capital consists of 5,038,411 ordinary shares without designation of a nominal value, of which 157,583 own shares (see note 9).

Note 1 Principal accounting methods

1. ACCOUNTING BASIS

The consolidated financial statements on 31 December 2012 were prepared in compliance with the IFRS (International Financial Reporting Standards) pronouncements as adopted in the European Union.

The accounting principles applicable to the preparation and the presentation of consolidated financial statements on 31 December 2012 have not been altered from those used for the preparation and the presentation of consolidated financial statements on 31 December 2011.

Standards and interpretations became effective on a mandatory basis in 2012 in the European Union:

- Amendments to IFRS 7 – Disclosures – Transfers of Financial Assets

These amendments and new interpretations have no significant impact on the presentation, disclosure requirements or the consolidated financial performance and/or situation of ATENOR GROUP.

New or amended standards and interpretations that entered into force after 31 December 2012 and whose early application is authorised within the European Union

- IFRS 13 – Fair value measurement (1/1/2013)
- Amendments to IFRS 1 - Severe Hyperinflation and removal of fixed dates for first-time adopters (1/1/2013)
- Amendments to IFRS 1 - Government Loans (1/1/2013)
- Amendments to IFRS 7 - Disclosures – Offsetting Financial Assets and Financial Liabilities (1/1/2013)
- Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income (1/1/2013)
- Amendments to IAS 12 – Taxes on the result - Deferred Taxes: Recovery of Underlying Assets (1/1/2013)
- Amendments to IAS 19 – Employee Benefits (1/1/2013)
- Amendments to IAS 32 – Financial instruments: presentation - Offsetting Financial Assets and Financial Liabilities (1/1/2014)
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine (1/1/2013)
- IFRS 10 – Consolidated Financial Statements (1/1/2014)
- IFRS 11 – Joint Arrangements (1/1/2014)
- IFRS 12 – Disclosure of Interests in Other Entities (1/1/2014)
- IAS 27 (Revised) – Separate Financial Statements (1/1/2014)
- IAS 28 (Revised) – Investments in Associates and Joint Ventures (1/1/2014)

ATENOR GROUP has not adopted these new or amended standards and interpretations in advance. ATENOR GROUP is continuing its analysis of the possible impact of these new standards and interpretations. The future application of the new or amended standards and interpretations whose entry into force is set at 1 January 2013 should not have a significant impact on the consolidated financial statements of ATENOR GROUP.

The consolidated financial statements of the Group were made up by the Board of Directors on 7 March 2013.

2. CONSOLIDATION PRINCIPLES AND SIGNIFICANT ACCOUNTING PRINCIPLES

The consolidated financial statements include the financial statements of ATENOR GROUP s.a. and its subsidiaries that are controlled directly or indirectly. These subsidiaries are consolidated according to the full consolidation method. Control is assumed to exist if the Group holds at least 50% of the shares.

The equity method is applied especially in the case of joint ventures held with joint control.

The intra-group transactions and results have been eliminated.

These consolidated financial statements have been prepared on the basis of historical cost, with the exception of certain financial instruments that are entered in the accounts according to the convention of fair value in conformity with the handling of the different categories of financial assets and liabilities defined by the IAS 39 standard.

The financial statements are presented in thousands of euro and rounded off to the nearest thousand.

2.1 PROPERTY, PLANT AND EQUIPMENT

A tangible fixed asset is booked in the accounts if it is probable that the future economic advantages associated with this element will be released by the Group and if the cost of this asset can be evaluated in a reliable way.

The tangible fixed assets are subject to the application of the terms relating to the depreciation of assets (IAS 36) and to the duration of the utility of the significant components of the assets (IAS 16). The grounds, installations and machines held with a view to their use in the production of goods and services, or for administrative purposes, are initially assessed at their acquisition value with the deduction of accumulated amortisation and any losses of value that may be recognised.

The acquisition value includes all the directly imputable charges necessary to bring the asset into a state where it can fulfil the function for which it is intended. The depreciation is calculated based on the estimated duration of service life, with a deduction of the residual value if this is significant. The borrowing costs are assets if applicable in tangible fixed assets under the conditions stipulated by IAS 23. The depreciations are calculated linearly on the estimated duration of service life of the assets as from the date on which the asset is ready to be used, taking into account the residual value of the assets concerned, if this is significant. Depreciation is booked in the income statement under the category "Depreciation and amortisation (-)".

Structures:	20 - 33 years
Installations and equipment:	10 - 15 years
Machines:	3 - 8 years
Computer materials:	3 - 10 years
Furniture:	2 - 10 years
Mobile equipment:	4 years
Outfitting of rented property:	9 years (duration of the lease)

The profit or the loss resulting from the transfer or the change of purpose of a tangible fixed asset corresponds to the difference between the income from the sale and the accounting value of the tangible fixed asset. This difference is taken into account in the income statement.

The grounds are assumed to have an unlimited service life and are not depreciated.

Later expenditures are booked into the income statement at the moment when they are incurred. Such an expense is activated only when it can be clearly demonstrated that it has led to an increase in the future economic advantages expected from the use of the tangible fixed asset in comparison with its normal performance as initially estimated.

The assets under financial leasing are recognized in the balance sheet if all the risks and advantages of ownership have been transferred to the buyer. They are amortised over the economic service life or, if it is shorter, over the duration of the lease.

2.2 INVESTMENT PROPERTIES

The assets held in investment properties represent the properties held to gain rental income or properties let over a longer period in the expectation of the implementation of a real estate project in the medium term. Investment properties are booked at their acquisition value, reduced by depreciations and any losses in value. The market value is mentioned for information purposes in a note in the consolidated financial statements.

ATENOR GROUP has opted for valuation of buildings held temporarily as investments according to the “cost model”, a model that is more appropriate than the “fair value model” from the point of view of later appreciation through an own real estate development

The depreciations are calculated linearly over the estimated service life of the buildings, with deduction of their probable residual value. The depreciation is booked into the income statement under the category “Depreciation and amortisation (-)”. As a general rule, investment buildings for which the operating horizon is not limited are depreciated between 20 and 33 years.

2.3 INTANGIBLE ASSETS (OTHER THAN GOODWILL)

The intangible fixed assets are evaluated initially at cost. The intangible fixed assets are recognised as assets if it is probable that the future economic advantages that can be attributed to the asset will go to the undertaking and if the cost of this asset can be evaluated in a reliable way. After initially being entered in the accounts, the intangible fixed assets are evaluated at cost reduced by the combination of the amortisations and the combination of the depreciations and cumulated loss of value of assets.

The intangible assets of ATENOR GROUP primarily include the software programs.

The intangible fixed assets have a fixed economic life and are consequently depreciated according to the linear method on the basis of the best estimation of their duration of utility. The depreciation is booked in the accounts in the income statement under the category “Depreciation and amortisation (-)”.

Depreciation of the tangible and intangible fixed assets:

Except for the current intangible assets, which are subjected to an annual impairment test, tangible and intangible fixed assets are the object of an impairment test only when there is an indication showing that their accounting value will not be recoverable by their use or their sale.

If an asset does not generate cash flows independent of those of other assets, the Group will conduct an estimate of the recoverable value of the cash generating unit to which this asset belongs. The recoverable value is the higher value between the fair value decreased by the costs of the sale and the utility value. If the recoverable value of an asset (cash generating unit) is estimated to be less than its accounting value, the accounting value of the asset (cash generating unit) is reduced to its recoverable value. A loss of value is immediately entered into the profit and loss accounts.

When a loss of value is recovered later, the accounting value of the asset (cash generating unit) is increased to reach the revised estimate of its recoverable value, without, however, being higher than the accounting value that would have been determined if no loss of value had been entered in the accounts for this asset (cash generating unit) in the course of previous financial years.

2.4 GOODWILL

The goodwill constitutes the difference between the acquisition cost determined at the time of the regrouping of companies and the Group share in the fair value of the assets, liabilities and any identifiable benefits.

In compliance with IFRS 3 on the regrouping of companies and IAS 38 on intangible fixed assets, the duration of utility of the goodwill acquired within the scope of a regrouping of companies is considered as indeterminate and no depreciation is booked in the accounts. Each year ATENOR GROUP carries out a test of loss of value consisting of allocating a recoverable value (that is, the fair value less the costs of sale or the value in use) to each asset concerned (or generating unit of the Group’s accounts). If this recoverable value is lower than the accounting value of the unit or the entity concerned, the Group registers a loss in value, for which the difference is booked in the profit and loss accounts.

The loss of value recognised for goodwill cannot be recovered during later financial years.

When control has been obtained over one or more other units that do not constitute “businesses”, the regrouping is not classified as a “business combination”. When it concerns a group of assets or of net assets that do not constitute a “business”, the cost is distributed among the individual identifiable assets and liabilities on the basis of their fair values relating to the date of acquisition. And such an acquisition of asset(s) does not give rise to the recognition of goodwill. Thus in the event of an acquisition of an asset, contrary to a “business combination”, the amount paid that exceeds the fair value of the assets is not entered in the accounts as “goodwill”. To summarise, transferred assets appear in the buyer’s balance sheet not at their fair value as in a “business combination”, but at their fair value plus the “extra price” paid, without recognition of deferred taxes.

2.5 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED ACTIVITIES

The Group enters a non-current asset (or any entity intended to be disposed of) as held for sale if the accounting value is or will be recovered primarily through a sales transaction rather than through continued use.

The non-current assets held for sale are valued at the lowest at their accounting value or at their fair value reduced by the costs of sale.

A discontinued activity is a unit (or a group of units) generating funds that either has been disposed of or is held for sale. It appears in the profit and loss accounts under a single amount and its assets and liabilities are presented in the balance sheets separately from the other assets and liabilities.

2.6 INVENTORIES

ATENOR GROUP’s activities in the real estate field can lead the group to hold various types of buildings categorised by the use to which they are assigned:

- property, plant and equipment (IAS 16): properties acquired with a view to a real estate development in the medium term and which temporarily continue to be made profitable in an activity producing ordinary revenue,
- investment property (IAS 40): properties rented out, generally while waiting for development later and
- projects in the course of development entered in inventories (IAS 2 – Inventories and IAS 11 – Construction contracts).

Each category has its own corresponding accounting principles regarding the recognition of the assets at origin and their later valuation.

The inventories are valued at the lowest at cost and the net marketable value. The net realizable value is the estimated selling price as part of a normal process of developing a real estate project, less the estimated costs to completion and the estimated costs necessary for the sale.

The cost includes the acquisition costs and the direct and indirect costs of conversion or development, including appropriate borrowing costs.

2.7 PROVISIONS

A provision is constituted when the Group has a legal or implicit obligation at the date of the balance sheet and at the latest during the approval of the consolidated financial statements by the Board of Directors. The registered provisions meet the three-fold condition of resulting from a past transaction or event, of having a probability of leading to an outflow of resources and of being able to estimate the outflow of resources in a reliable way.

The provisions are the object of discounting in order to take into account the course of time. Each year ATENOR GROUP reviews the discounting rates used for each of its provisions.

In the application of the evaluation rules, the establishment of provisions for charges to be paid constitutes a matter subject to judgement.

The provisions for restructuring are booked in the accounts when the Group has adopted a formalised and detailed plan for restructuring that was the subject of a public announcement to the parties affected by the restructuring before the date of closing.

Insofar as risks and undertakings are concerned for which an actual disbursement is disputed and judged not very probable, ATENOR GROUP will provide qualitative indications in note 25.

2.8 BORROWING COSTS

The costs of borrowing directly attributable to the acquisition, construction or production of a qualified asset are incorporated into the cost of this asset.

A qualified asset is an asset requiring a long period of preparation before it can be used or sold. The buildings intended for sale registered in the inventory account meet this criterion because the studies, the construction and the sales and marketing process can take several years.

The rate used to determine these costs will correspond to the weighted average borrowing costs applicable to the specific or general loans contracted to finance the real estate projects concerned.

ATENOR GROUP will start the capitalisation of the costs of borrowing as soon as the permits that are indispensable to the preparation of the asset have been issued and the implementation of the construction site is actually launched.

Capitalisation of the costs of borrowing is suspended during the long periods in the course of which the normal development of the project is interrupted.

2.9 FINANCIAL INSTRUMENTS

- Payables: payables are valued at their nominal value.
- Own shares: the own shares are entered as a deduction from the equity. The results connected with transactions on these shares also affect the equity and not the income statement.
- Cash and cash equivalents: this entry includes cash money and deposits, short term investments (less than one year) and very liquid investments.
- Bank loans: advances and financial loans are initially booked in the accounts at their fair value increased by the direct transaction costs, and later at the amortised cost according to the method of the actual interest rate. The financial charges, including the bonuses and commissions payable, are paid over the duration of their availability, with the exception of the cost of loans connected to qualified assets.
- Derivatives are valued at their fair value. The variations in the fair value of derivative instruments that make up the instruments for hedging the cash flows are recognised directly in the equity. The changes in the fair value of the derivatives designated and categorised as instruments for hedging fair value are entered in the profit and loss account, as well as changes in the fair value of the asset or liability hedged imputable to the risk hedged.

  The non-effective part is recognised in the income statement. In other cases, variations in the fair value are immediately recognised in the profit and loss account.

2.10 EXCHANGE RATE RISKS

The Group has foreign assets and considers the currency of each country as the "functional" currency in terms of IAS 21, which handles the "effects of changes in foreign exchange rates" and define the way to convert the financial statements into euro (reporting currency).

The Group therefore enters transactions and balances in the currency and due to this fact it is exposed to exchange risks of these currencies, defined as functional, materialising through conversion differences incorporated into its own consolidated equity capital.

All the projects under development in these foreign countries remain valued in stock according to the acquisition prices and the market prices relating to the studies and to the construction costs. All the active steps contributing to the successful completion of the project express the value creation provided by ATENOR GROUP and support the maintenance of an asset value "at cost" as long as the project demonstrates its feasibility and its profitability, whatever the unanticipated unknowns in the market values.

An abandoned project and/or a project whose net market value is lower than the net book value in stock would be the object of an appropriate value correction.

The use of the local currency as the functional currency is justified by the operational needs for execution of the projects.

The regular updating of the feasibilities (cost price, rental price, transfer parameters) of the projects makes it possible to check the extent to which the potential margin is affected by the evolution of economic and financial conditions. Consequently this estimated result per project incorporates the exchange risk as a parameter of the feasibility of each of the projects.

2.11 SEGMENT REPORTING

The segment reporting is based, both for internal and external communication, on a single activity criterion, namely, project development in the area of real estate promotion. ATENOR GROUP exercises its main activity of developing real estate promotion projects essentially in the area of office and residential buildings with relatively homogeneous characteristics and similar viability and risk profiles.

ATENOR GROUP has no organised activity by geographic markets. The internal and external reporting of ATENOR GROUP does not refer to a geographical segmentation either.

2.12 INCOME FROM ACTIVITIES

ATENOR GROUP forms part of complex real estate transactions in which the results are acknowledged as a function of contractual undertakings on the one hand and the extent of completion on the other hand. The principles of income recognition are applicable both in qualified "share deal" and "asset deal" operations for sales of buildings constructed or to be completed in the future.

Income is recognised to the extent that it can be considered contractually as definitively acquired with deduction of all reasonably foreseeable charges associated with the obligations assumed by ATENOR GROUP in respect of the acquirer, in particular as regards the construction and the letting of the building.

If necessary, in application of the above-mentioned principles, the share of income from a real estate transaction related to the land is immediately acknowledged in the results from the moment that the transfer to the purchaser of control and/or the risks and advantages associated with the land is substantially realised and an identifiable part of the income can be attributed to it. The land share is than evaluated in accordance with the parameters of the market and the contract.

The share of income attributable to construction shall appear in the result in accordance with the progress report of works as the risks and benefits are transferred to the buyer.

These accounting principles are implemented in the light of the principles and guidance provided by IFRIC 15 - Agreements for the construction of real estate, or by analogy to IAS 11 (Construction contracts) or IAS 18 (Services contracts) insofar as the recognition of revenues on progress taking into account the specific features of the activity of a real estate project developer is concerned, or in application of the principles of IAS 18 applicable to the delivery of goods with recognition of the revenue at the time of the actual transfer of the risks and advantages of ownership of the properties to the buyer.

2.13 TAXES

The company's taxes are based on the profit and loss for the year and include the taxes for the year and the deferred taxes. They are taken up in the profit and loss account, except if they concern elements directly taken up in the equity funds, in which case they are entered directly in the equity funds.

The tax for the financial year is the amount of tax to be paid based on the taxable profit for the financial year, as well as any corrections concerning previous years. It is calculated based on the local tax rate that is applicable (or applied to a large extent) at the date of closing.

The deferred taxes are recognised in the differences between the net accounting value of the assets and liabilities in the financial statements and their corresponding fiscal value. Deferred tax liabilities are acknowledged on all taxable time differences whereas deferred tax assets are acknowledged to the extent that there are convincing indications that future taxable profits will be available to use these deferred tax assets.

At each closure date, ATENOR GROUP re-estimates the deferred tax assets that have or have not been booked, on the basis of indications of the future viability of the companies concerned.

The book value of the deferred tax assets is reduced or limited to the extent where it is no longer probable that sufficient taxable profits will be available in the future to make it possible to cover all or part of these assets.

The deferred taxes are calculated at the tax rates in force.

At the time of the original recognition of an asset (an acquisition) which is burdened with a taxable temporary difference, a deferred tax is entered in the accounts if this taxable difference arises either at the time of a regrouping of companies (business combination) or at the time of a transaction which gives rise to the establishment of one result. In case of acquisition of assets (real estate) that does not constitute a "business combination" (above 2.4) no deferred tax is recognised, and the asset is recognised at its fair value plus, if necessary, any premium paid.

2.14 EMPLOYEE BENEFITS

Benefits after employment include pensions and other benefits connected with retirement, as well as life insurance and medical care after employment. The benefits are taken up either in the plans at fixed contributions, or in the pension plans at fixed benefits.

The contributions of the plans at fixed contributions are covered in the profit and loss account at the time when they are due. For the pension plans at fixed benefits, the amount booked in the accounts at the date of the balance sheet is determined as being the updated value of the obligation concerning the fixed benefits, according to the projected unit credit method.

The pension obligations recognised in the balance sheet represent the current value of the fixed benefits, corrected with the actuarial earnings and losses, less the cost of past services not recognised and less the real value of the assets of the plan.

Actuarial earnings and losses that exceed ten per cent of the highest updated value between the obligation of the Group concerning fixed benefits and the real value of the assets of the plan, are recorded as results over the the duration of the average remaining life expectancy of the employees participating in the plan.

2.15 STOCK OPTIONS PLANS FOR EMPLOYEES AND OTHER PAYMENTS BASED ON SHARES

The Group has issued several plans for remuneration connected with the company's shares, and for which the payment is made in the form of the company's shares.

In general, for payments in shares to which IFRS 2 is applicable, the fair value of benefits of employees received in exchange for the allocation of options is recognised as a charge. The total amount to be attributed in charges linearly over the period of acquisition of rights is determined in reference to the fair value of the options allocated.

The fair value of the options is measured at the date of allocation, taking into account the market parameters as well as hypotheses concerning the number of options that should be exercised. Each year, on the date the balance sheet closes, the Group will review its estimations as to the number of options that should be exercised. The impact of the revision of the initial estimations is booked in the income statement and the equity is corrected as a consequence over the remaining acquisition period of the rights. The income, net of directly attributable transaction costs, is attributed in addition to the registered capital and to the issuing bonus when the options are exercised. The simple extension of the period for the exercise of options without change in the duration of acquisition of the rights does not modify the initial booking of the plan in the accounts.

The other payments made to the staff and based on the shares, in particular the transfer of own shares with a discount, are also registered in the equity accounts in application of IFRS 2 and booked as costs over the vesting period.

3. ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

To value the assets and liabilities that appear in the consolidated financial statements, the Group must necessarily make certain estimates and use its judgement in certain areas. The estimates and hypotheses used are determined on the basis of the best information available at the time of the closure of the financial statements. Nevertheless, by definition the estimates rarely correspond to actual fulfilments, so that the accounting valuations that result inevitably contain a certain degree of uncertainty. The estimates and hypotheses that could have a significant impact on the valuation of the assets and liabilities are commented below.

- The deferred tax assets are booked only to the extent that is probable that they could be imputed in the future to a taxable profit.
- The recognition of the progress of revenue generated by certain real estate projects presupposes, to begin with, a production budget and continuous monitoring of the execution, on the basis of which the degree of completion, the costs to the end and the risks still to be controlled are valued in a prudent way to determine the share of the profit attributable to the period completed.
- For the provisions, the amount entered corresponds to the best estimate of expenditure necessary for the extinction of the current obligation (legal or implicit) at the date of closure.

ATENOR GROUP is thus a party as a defendant in several judicial proceedings whose well-foundedness the company disputes and that in its opinion should not give rise to an actual significant disbursement for the Group and consequently do not give rise to the setting aside of provisions.

Note 2 Segment reporting

In thousands of EUR	2012	2011
Revenue	45,943	36,456
Other operating income	3,801	13,135
Purchases and changes in inventories	-23,184	-10,287
Employee expenses	-2,993	-6,273
Depreciation and impairments	432	-704
Other operating expenses	-15,245	-18,819
Result from operating activities EBIT	**8,754**	**13,508**
Net interests	-3,120	-3,092
Result of investments consolidated by the equity method	-568	-820
Income taxes	4,424	1,583
Profit (loss) after tax	**9,490**	**11,179**
Discontinued operations		
Attributable to minority interest	1	-142
Net result (group share)	**9,489**	**11,321**

The activities of ATENOR GROUP form one single sector (Real Estate), within which the real estate development and promotion projects are not differentiated by nature or by geographic area.

In thousands of EUR	Notes	2012	2011
EBITDA	1	8,322	14,212
Current cash flow	2	7,980	11,804
Assets		**394,786**	**278,405**
of which investments consolidated by the equity method		10,085	8,300
Liabilities		**296,043**	**180,887**

(1) EBIT + depreciation and impairments
(2) Net result + depreciation, provision and amortization + impairments on discontinued operations

The primary segmentation (Real Estate) reflects the organisation of the Group's business and the internal reporting supplied by the Management to the Board of Directors and to the Audit Committee. There is no secondary segment.
See Note 1 (Principal accounting methods – Paragraph 2.11).

The activity report of ATENOR GROUP supplies information on the acquisitions and transfers that have occurred during the financial year.

Note 3 Operating results

In thousands of EUR	2012	2011
Total of the ordinary revenue	**45,943**	**36,456**
of which turnover	45,452	35,719
of which investment property rental income	491	693
of which other ordinary revenue		44
Total of the other operating income	**3,801**	**13,135**
of which gain (loss) on disposals of financial assets	936	7,325
of which other operating income	2,865	5,797
of which gain (loss) on disposals of non-financial assets	0	13
Total of the operating charges	**-40,990**	**-36,083**
Result of operating activities	**8,754**	**13,508**

The 2012 turnover stood at 45.45 million euro. It comes primarily from the sales connected with the UP-site project, that is, the transfer of three blocks of offices respectively to the Ethias Group, to Unizo and to PMV, and the sales of 83 apartments that were the object of deeds of sale and preliminary sales agreements.

The operating profit 2012 is established at 8.75 million euro against 13.51 million euro in 2011. This result is mainly explained, like the turnover, by the transfer of three blocks of offices and of apartments recorded proportionately to the state of progress of the works. The rents paid by the City Docks project in Anderlecht also contributed to the operating results.

See Note 5 – Other operating expenses.

Reminder: the 2011 turnover mainly came from the turnover (26.23 million euro) connected with the transfer of the first two blocks of offices of the UP-site project to the Ethias Group and to Unizo, from the turnover generated by the hotel activities of the Crowne Plaza Hotel (8.37 million euro) and the rent paid (0.69 million euro) to the company I.P.I. (City Docks project).

Note 4 Personnel charges

In thousands of EUR	2012	2011
Wages and salaries	-2,152	-4,908
Social security contributions	-611	-986
Other personnel charges	-230	-379
Total personnel charges	**-2,993**	**-6,273**
Employment in full-time equivalents		
Total employment at the end of the accounting year	16.2	19.5

The personnel costs during the year were again influenced by the cost of the redundancies of staff of the CROWNE PLAZA hotel following the closure of the hotel on 23 December 2011 (1.31 million euro). Excluding restructuring costs, personnel expenses total 1.68 million euro compared with 1.92 million euro in 2011 and therefore were 12% lower.

Note 5 Other operating expenses

In thousands of EUR	2012	2011
Services and other goods	-14,059	-15,665
Provisions (increase/amounts written back)	1,076	79
Other operating charges	-2,305	-3,076
Loss (exchange costs)	43	-157
Total	**-15,245**	**-18,819**

The line "Services and other goods" is mainly due to fees and services connected with the real estate projects, which are capitalised in stock in the amount of 28.9 million euro via the account "Changes in inventories of finished goods and work in progress" against 42.67 million euro in 2011 (see the "Consolidated income statement").

Note 6 Financial results

In thousands of EUR	2012	2011
Interest expenses	-3,947	-4,028
Other financial expenses	-368	-479
Interest income	1,194	1,413
Other financial income	1	2
Total financial results	**-3,120**	**-3,092**

In 2012, the net financial costs amounted to 3.12 million euro, compared with 3.09 million euro in 2011.

This financial result is explained on the one hand by the recording of the net interests connected with the two bond issues (5.09 million euro), the financing of ATENOR GROUP via CP and MTN, and the debt of Brussels Europa (0.95 million euro) and, on the other hand, by the activation of financial charges (IAS 23) connected with the UP-site project (2.77 million euro) as well as the Port du Bon Dieu project (0.15 million euro) for which the building permit was issued on 13 September 2012.

See also "Consolidated cash flow statement".

Note 7 Income taxes

In thousands of EUR	2012	2011
I. Income tax expense / income - current and deferred		
Income tax expense/income - current		
Current period tax expense	-691	-172
Adjustments to tax expense/income of prior periods	-5	1
Total current tax expense, net	**-696**	**-171**
Income tax expense/income - deferred		
Related to the current period	-4,232	-3,640
Related to prior exercises (tax losses)	9,352	5,394
Total deferred tax expense	**5,120**	**1,754**
Total current and deferred tax expense	**4,424**	**1,583**
II. Reconciliation of statutory tax to effective tax		
Profit before taxes	5,066	9,596
Statutory tax rate	33.99%	33.99%
Tax expense using statutory rate	**-1,722**	**-3,262**
Adjustments to		
- current tax of prior periods / surcharges / foreign taxes	-23	-2
- non-taxable revenues	751	3 267
- non-tax deductible expenses	-337	-1 064
- recognising deferred taxes on previously unrecognised tax losses	1 383	1 122
- on deferred tax assets and deferred taxes liabilities	5 005	5 394
- tax computed on other basis	-167	302
- losses for the year	-643	-3 965
Other adjustments	177	-209
Tax expense using effective rate	**4,424**	**1,583**
Profit before taxes	5,066	9,596
Effective tax rate	n.a.	n.a.

In 2012, the consolidated accounts of ATENOR GROUP register deferred taxes to a total of 5.12 million euro. This amount includes:

- the deferred tax assets of 5.37 million euro recognised in the first half of 2012 within the framework of the TREBEL project following the signing of the preliminary sales agreement with the European Parliament;
- the net impact of -1.27 million euro on the deferred tax assets of ATENOR GROUP SA as part of the UP-site project, taking into account the transfers of three blocks of offices and of 83 apartments;
- the recognition of the deferred tax assets of NAMUR WATERFRONT (Port du Bon Dieu project) and MONS PROPERTIES (the project called Area of the New Station in Mons) registered respectively in the amount of 0.40 million euro and 0.28 million euro based on the tax losses recoverable on 31 December 2012;
- deferred tax assets and liabilities for the year (0.22 million euro) and a reversal related to a cancelled provision (0.12 million euro).

The group has invested through its subsidiaries I.P.I. and ALCO BUILDING, in two audiovisual works and benefited from the tax benefit provided under the “Tax Shelter”.

Note 8 Profit and dividend per share

Number of shares profiting from the dividend	4,880,828
Basic earnings per share (in euro)	1.88
Profit per share (in euro)	1.88
Amount of dividends distributed after the closing date (in thousands of euro)	9,761.70
Gross dividend per share (in euro)	**2.00**

The result per share is obtained by dividing the "Group share" result by the number of shares in circulation as at 31 December 2012 (5,038,411 shares).

The gross dividend proposed at the Annual General Meeting of 26 April 2013 will amount to 2.00 euro and will be paid as from 30 May 2013. The withholding tax amounts to 25%.

At the same Assembly a proposal will be presented to the shareholders of ATENOR GROUP to offer, by way of an optional dividend, the possibility of contributing their receivable that results from the distribution of the dividend to the capital of ATENOR GROUP.

Within the framework of this optional dividend, the shareholders will have the choice between:

- The contribution of their receivable to a net dividend to the capital of ATENOR GROUP in exchange for new shares;
- The payment of the dividend in cash; or
- A combination of the two options mentioned above.

The conditions and procedures of this operation are described in the Information Note available on the ATENOR GROUP's internet site.

Subject to the approval of the dividend by the General Assembly, the shareholders will be invited to communicate to their financial institution their choice between the three methods of payment (described above) between Monday 6 May 2013 and Wednesday 22 May 2013 (16.00 CET) inclusive. Failing an expression of their choice during this period, the shareholders will receive the payment of their dividend in cash.

The results of this offer will be communicated on Thursday 23 May 2013 (after the Stock Market closes). The new shares will be listed and negotiated on 30 May 2013.

It should also be noted that as from 1 January 2013, the government has harmonised the withholding tax at 25% and thus eliminated the tax benefit attached to the holding of VVPR strips.

Reminder: the strips accompanying coupon no. 4 reached maturity as at 31 December 2012. The strips accompanying coupon no. 5 will reach maturity as at 31 December 2013 and the strips accompanying coupon no. 6 will reach maturity as at 31 December 2014.

In thousands of EUR	2012	2011
Dividends on ordinary shares declared and paid during the period:	-9,877	-9,659

It will be recalled that the final gross dividend per share for 2011 was 2.00 euro, for 2010: 2.00 euro, for 2009: 2.60 euro, for 2008: 2.60 euro, for 2007: 2.60 euro, for 2006: 1.30 euro and for 2005: 1.03 euro.

Note 9 Capital

Structure of shareholders

On 31 December 2012, the structure of shareholding is as follows:

	Number of shares	Holdings %	of which shares forming part of the joined shareholding
TRIS n.v. (1)	604,880	12.01	604,880
SOFINIM n.v. (1)	592,880	11.77	592,880
Luxempart s.a. (1)	523,500	10.39	505,000
ALVA s.a. (1)	504,880	10.02	504,880
Stéphan Sonneville s.a. (1) (2)	238,542	4.73	150,500
Sub-total	**2,464,682**	**48.92**	**2,358,140**
Own shares	157,583	3.13	
Public	2,416,146	47.95	
Total	**5,038,411**	**100.00**	

(1) Signatories of the Shareholders' Agreement
(2) Managing Director, company controlled by Mr Stéphan Sonneville

In compliance with article 74 of the law of 1 April 2007, these shareholders have communicated to the company that they held as a joined holding, at the date of entry into effect of the aforementioned law, more than 30% of the securities with voting rights.

	Ordinary shares
Movements in number of shares	
Number of shares, beginning balance	5,038,411
Number of shares issued after the 2012 balance sheet date and profiting from 2012 dividend	-
Number of shares, ending balance	5,038,411
- of which issued and fully paid	5,038,411
Number of shares issued after the balance sheet date and profiting from dividend	-
Total of issued shares profiting from 2012 dividend(1)	**4,880,828**

(1) Subject to approval by the general shareholders meeting of the allocation of income attributing a gross dividend of 2.00 euro per share for only those shares whose dividend rights are not suspended.

	Amount (in thousands of EUR)	Number of shares
Movements in own shares		
On 01.01.2012 (average price: € 40.46 per share)	6,373	157,513
Movements during the period:		
- acquisitions	2	70
- sales		
On 31.12.2012 (average price: € 40.45 per share)	**6,375**	**157,583**

Other information (updated on 31.12.2012)	
Number of own share reserved in order to cover:	
- stock options plan 2007	47,800
- stock options plan 2008	51,100
- stock options plan 2009	50,600
- stock options plan 2010	46,300
- stock options plan 2011	50,800
- stock options plan 2012	49,000
Total of options on shares	**295,600**

ATENOR GROUP Stock options plans:

In accordance with the decision taken by the Remuneration Committee of 13 December 2006 ratified by the Board of Directors on 31 May 2007, ATENOR GROUP, on 3 August 2007, issued a total of 50,000 options on its own shares to various members of the Management and the Staff. The exercise price was set at 42.35 euro which corresponds to the average closing price of the quotes of the 30 days preceding the issue. These options were exercisable during the period from 26 March 2012 to 20 April 2012.

In accordance with the decision taken by the Remuneration Committee of 18 December 2007 ratified by the Board of Directors on 3 March 2008, ATENOR GROUP, on 5 May 2008, issued a total of 51,700 options on its own shares to various members of the Management and the Staff. The exercise price was set at 39.17 euro which corresponds to the average closing price of the quotes of the 30 days preceding the issue. These options were exercisable during the periods from 26 March 2012 to 20 April 2012 and from 1 October 2012 to 31 October 2012.

The Board of Directors of 29 May 2009 decided, in conformity with the legislation in effect, to grant an extension of five years to the beneficiaries of the SOP 2007 and 2008, extending the period for exercising the rights (without extension of the period of acquisition of rights) respectively to 22 April 2017 and to 31 October 2017.

In accordance with the decision taken by the Remuneration Committee of 17 December 2008 ratified by the Board of Directors on 3 March 2009, ATENOR GROUP issued on 20 January 2009 a total of 50,600 options on its own shares to various members of the Management and Staff. The exercise price was set at 37.83 euro which corresponds to the average closing price of the quotes of the 30 days preceding the issue. These options are exercisable during the periods from 11 March to 11 April 2013 and from 2 to 30 September 2013.

The Board of Directors of 3 March 2009 approved a new Stock Option Plan for three years.

Therefore as at 2 February 2010 ATENOR GROUP issued a first tranche of 50,000 options on own shares intended for members of the Management and the Staff. These options can be exercised during the periods from 11 March to 11 April 2014 and from 2 to 30 September 2014 at the unit price of 36.18 euro, i.e. the average closing price of the quotes of the 30 days preceding the issue date.

On 1st February 2011, ATENOR GROUP issued a second tranche of 53,200 options on own shares intended for members of the Management and the Staff. These options can be exercised during the periods from 10 March to 10 April 2015 and from 2 to 30 September 2015 at the unit price of 33.40 euro, i.e. the average closing price of the quotes of the 30 days preceding the issue date.

On 13 January 2012, ATENOR GROUP issued a third tranche of 50,000 options on own shares intended for members of the Management and the Staff. These options can be exercised during the periods from 10 March to 10 April 2016 and from 2 to 30 September 2016 at the unit price of 23.46 euro, i.e. the average closing price of the quotes of the 30 days preceding the issue date.

We will give the comprehensive details of the "stock options" actually allocated.

Attribution in	2012	2011	2010	2009	2008	2007
Exercise price	€ 23.46	€ 33.40	€ 36.18	€ 37.83	€ 39.17	€ 42.35
Number of options on 31.12.2012	49,000	50,800	46,300	50,600	51,100	47,800
Exercise periods	10.03 to 08.04.2016 02 to 30.09.2016	10.03 to 10.04.2015 02 to 30.09.2015	11.03 to 11.04.2014 02 to 30.09.2014	02 to 30.09.2013	01 to 31.10.2013 26.03 to 20.04.2014 01 to 31.10.2014 26.03 to 20.04.2015 01 to 31.10.2015 26.03 to 20.04.2016 01 to 31.10.2016 26.03 to 20.04.2017 01 to 31.10.2017	01 to 31.10.2013 28.03 to 22.04.2014 01 to 31.10.2014 28.03 to 22.04.2015 01 to 31.10.2015 28.03 to 22.04.2016 01 to 31.10.2016 28.03 to 22.04.2017
Expiry dates	30.09.2016	30.09.2015	30.09.2014	30.09.2013	31.10.2017	22.04.2017

The number of options of the SOP 2007 to 2012 are part of an option plan concerning a total of 300,000 existing shares. During the year 2012, ATENOR GROUP acquired 70 own shares. As at 31 December 2012, ATENOR GROUP held 157,583 own shares acquired at an average price of 40.45 euro for a total amount of 6.38 million euro. These shares are intended to cover the option plans issued from 2007 to 2012.

See also Note 22 (Employee benefits).

Management of the capital:

On 31 December 2012, the amount of equity came to 98.74 million euro, and the balance sheet total amounts to 394.79 million euro.

As an independent developer of real estate projects, ATENOR GROUP is not subject to any requirement concerning capital obligation. ATENOR GROUP hopes to maintain a reasonable ratio between the invested capital that it has and the balance sheet total. The Management, among other things, sees to regularly informing the Board of Directors and the Audit Committee of the development of the balance sheet and its components in such a way as to intentionally limit the average consolidated indebtedness.

ATENOR GROUP's policy aims at maintaining a healthy balance sheet structure.

Note 10 Intangible assets

In thousands of EUR	2012 Goodwill	2012 Software	2012 Total
Movements in intangible assets			
Gross book value as at 01.01.2012	11,542	140	**11,682**
Cumulated depreciations as at 01.01.2012	-1,744	-108	**-1,852**
Cumulated losses of value as at 01.01.2012	-4,460		**-4,460**
Intangible assets, beginning balance	**5,338**	**32**	**5,370**
Investments		27	**27**
Retirements and disposals (-)	-670		**-670**
Depreciations (-)		-24	**-24**
Impairment (loss) reversal recognised in income			
Foreign currency exchange increase (decrease)	207		**207**
Other increase (decrease)			
Intangible assets, ending balance	**4,875**	**35**	**4,910**
Gross book value as at 31.12.2012	11,079	135	**11,214**
Cumulated depreciations as at 31.12.2012	-1,744	-100	**-1,844**
Cumulated losses of value as at 31.12.2012	-4,460		**-4,460**
Intangible assets, ending balance	**4,875**	**35**	**4,910**

Two real estate projects are concerned by the goodwill value (4.87 million euro) appearing on the balance sheet, that is, the UP-site project in Brussels (1.62 million euro) and the VÁCI GREENS project in Budapest (3.25 million euro). This goodwill concerns the acquisitions of entities (handled at the time as business combination in terms of IFRS 3) which today have no activity other than developing their property asset. The residual value of this goodwill will therefore necessarily be recovered through and jointly with the sale of the real estate projects booked as stock.

Following the sale of the block B2 and of 83 apartments in the tower, the goodwill related to the UP-site project has been adjusted to reflect the portion relating to assets sold (-0.67 million euro).

For each project, the company estimates the recoverable value of the assets or groups of assets concerned (including the goodwill), that is, here the « fair value less the costs of sale ». The impairment test on this goodwill consists in verifying, via feasibility studies, whether the recoverable value of the assets or groups of assets concerned is higher than their book value.

All the assumptions in the feasibility studies are periodically reviewed by the Management and submitted to the Audit Committee and the Board of Directors. Established on the basis of the best current knowledge of the Group, the "feasibility" studies lead ATENOR GROUP to estimate that the prospects expected from these two projects could make it possible to recover at least the value invested in the assets or groups of assets concerned.

In thousands of EUR	2011 Goodwill	 Software	 Total
Movements in intangible assets			
Gross book value as at 01.01.2011	12,844	138	**12,982**
Cumulated depreciations as at 01.01.2011	-1,743	-80	**-1,823**
Cumulated losses of value as at 01.01.2011	-4,460		**-4,460**
Intangible assets, beginning balance	**6,641**	**58**	**6,699**
Investments	1	2	**3**
Retirements and disposals (-)	-952		**-952**
Depreciations (-)	-1	-28	**-29**
Impairment (loss) reversal recognised in income			
Foreign currency exchange increase (decrease)	-351		**-351**
Other increase (decrease)			
Intangible assets, ending balance	**5,338**	**32**	**5,370**
Gross book value as at 31.12.2011	11,542	140	**11,682**
Cumulated depreciations as at 31.12.2011	-1,744	-108	**-1,852**
Cumulated losses of value as at 31.12.2011	-4,460		**-4,460**
Intangible assets, ending balance	**5,338**	**32**	**5,370**

Note 11 Property, plant and equipment

In thousands of EUR	Construc-tions in progress	Land and buildings	Plant and equipment	Motor vehicles	Fixtures and fittings	Other property, plant and equipment	Total
2012							
Movements in property, plant and equipment							
Gross book value as at 01.01.2012				256	2,786	453	**3,495**
Cumulated depreciations as at 01.01.2012				-189	-2,640	-233	**-3,062**
Cumulated losses of value as at 01.01.2012							
Property, plant and equipment, beginning balance	**0**	**0**	**0**	**67**	**146**	**220**	**433**
Changes in scope of consolidation							
Investments				15	62	10	**87**
Acquisitions through business combinations							
Disposals (-)							
Reclassifications (to) from other items							
Reclassifications from/to the "Inventories"							
Disposals through business disposal (-)							
Depreciation expense (-)				-27	-79	-51	**-157**
Foreign currency exchange increase (decrease)						-1	**-1**
Adjustments							
Adjustments written back							
Other increase (decrease)							
Property, plant and equipment, ending balance	**0**	**0**	**0**	**55**	**129**	**178**	**362**
Gross book value as at 31.12.2012				271	2,701	463	**3,435**
Cumulated depreciations as at 31.12.2012				-216	-2,572	-285	**-3,073**
Cumulated losses of value as at 31.12.2012							
Property, plant and equipment, ending balance	**0**	**0**	**0**	**55**	**129**	**178**	**362**

The “fixed assets” item totals 0.36 million euro. Following the booking of the building of BRUSSELS EUROPA as “stock” due to the closing of the hotel at the end of December 2011, this item now includes only the furniture and motor vehicles of the group as well as the fixtures and fittings of the rented buildings.

In thousands of EUR	Construc-tions in progress	Land and buildings	Plant and equipment	Motor vehicles	Fixtures and fittings	Other property, plant and equipment	Total
2011							
Movements in property, plant and equipment							
Gross book value as at 01.01.2011		43,846	2,716	210	2,789	454	**50,015**
Cumulated depreciations as at 01.01.2011		-23,095	-2,690	-193	-2,589	-184	**-28,751**
Cumulated losses of value as at 01.01.2011		-500					**-500**
Property, plant and equipment, beginning balance	**0**	**20,251**	**26**	**17**	**200**	**270**	**20,764**
Changes in scope of consolidation		1,623	30				**1,653**
Investments				83	34		**117**
Acquisitions through business combinations							
Disposals (-)					-1		**-1**
Reclassifications (to) from other items							
Reclassifications from/to the "Inventories"		-21,831	-36				**-21,867**
Disposals through business disposal (-)							
Depreciation expense (-)		-43	-20	-33	-86	-50	**-232**
Foreign currency exchange increase (decrease)					-1		**-1**
Adjustments							
Adjustments written back							
Other increase (decrease)							
Property, plant and equipment, ending balance	**0**	**0**	**0**	**67**	**146**	**220**	**433**
Gross book value as at 31.12.2011				256	2,786	453	**3,495**
Cumulated depreciations as at 31.12.2011				-189	-2,640	-233	**-3,062**
Cumulated losses of value as at 31.12.2011							
Property, plant and equipment, ending balance	**0**	**0**	**0**	**67**	**146**	**220**	**433**

Note 12 Investments consolidated by the equity method

In thousands of EUR	2012	2011
Investments		
At the end of the preceding period	8,300	9,120
Movements during the period	1,785	-820
At the end of the period	**10,085**	**8,300**

In thousands of EUR	Sums due to related parties	Sums due to the group from related parties
IMMOANGE, share of the group : 50%	-	12,900
VICTOR PROPERTIES, share of the group : 50%	-	479
SOUTH CITY HOTEL, share of the group : 40%	-	2,869

In thousands of EUR	Balance sheet total	Equity	Debts	Result at the end of the period
2012 key figures from financial statements				
IMMOANGE, share of the group : 50%	30,267	4,379	25,888	-949
VICTOR PROPERTIES, share of the group : 50%	1,187	225	962	-28
SOUTH CITY HOTEL, share of the group : 40%	19,471	1,020	18,450	-467

The investments consolidated by the equity method are the companies for which 50% at most is held, which are the object of joint control.

As at 31 December 2012, SOUTH CITY HOTEL (40%), IMMOANGE (50%) and VICTOR PROPERTIES (50%) are three companies consolidated by the equity method.

Note 13 Related parties

Relations between the parent company and its subsidiaries

The relations between ATENOR GROUP s.a. and its subsidiaries are detailed in Note 26 relating to the structure of the Group. Please refer also to Note 12 concerning the investments consolidated by the equity method.

Relations with the principal directors

The remuneration received directly or indirectly by the CEO (Stéphan SONNEVILLE s.a.) is defined overall for the role that he takes both on the Board of Directors and directly or indirectly in the Company and its subsidiaries. The total remuneration, both fixed and variable, of the CEO is decided by the Nomination and Remuneration Committee on the basis of an assessment of the collaboration taking place at the end of each year and based on principles approved by the Board.

The total amount of the remuneration allocated to the financial year 2012 amounts to 503,402 euro and can be broken down as follows (company cost):

- basic remuneration (excluding VAT): 435,324 euro
- variable remuneration: 68,078 euro
- pension: There were no contributions for a pension plan for the CEO
- other advantages: not applicable.

The Company did not deviate significantly from its remuneration policy in the course of the financial year that is the object of the annual report.

During the financial year, neither credit, nor advances, nor options on shares were granted to the Directors except to the CEO, to whom 7,200 options on ATENOR GROUP shares were granted for performance relating to the 2011 financial year, and 299 options on ATENOR GROUP PARTICIPATIONS shares for performance relating to the 2012 financial year.

Note 14 Non-current assets held for sale

2012
Movements in assets held for sale
In thousands of EUR

Gross book value as at 01.01.2012	2,958
Cumulated losses of value as at 01.01.2012	-1,452
Assets held for sale, beginning balance	**1,506**
Investments	
Later expenses	
Disposals	
Losses / recoveries of value	
Foreign currency exchange increase (decrease)	39
Transfers from "Investment property" to "Assets held for sale"	
Assets held for sale, closing balance	**1,545**
Gross book value as at 31.12.2012	3,036
Cumulated losses of value as at 31.12.2012	-1,491
Assets held for sale, closing balance	**1,545**

2011
Movements in assets held for sale
In thousands of EUR

Gross book value as at 01.01.2011	
Cumulated losses of value as at 01.01.2011	
Assets held for sale, beginning balance	**0**
Investments	
Later expenses	
Disposals	
Losses / recoveries of value	
Foreign currency exchange increase (decrease)	-73
Transfers from "Investment property" to "Assets held for sale"	1,579
Assets held for sale, closing balance	**1,506**
Gross book value as at 31.12.2011	2,958
Cumulated losses of value as at 31.12.2011	-1,452
Assets held for sale, closing balance	**1,506**

Since 2011, this line has listed the real estate of the LAZER IMMO company (Czech Republic) transferred from the "Investment property" following the end of the lease agreement and to the extent that an active selling process has been initiated for the disinvestment of this asset. LAZER IMMO is located in Prostejov in the Olomouc region. The land owned by this company is located near a motorway and near a shopping mall. The buildings on this land have plenty of parking spaces. The area of the land is 29,000 m² and the office space totals 9.000 m².

The selling process is still in the active phase, but not yet finalized as at 31 December 2012. The building is still evaluated at its net book value, this value being less than the fair value of the asset less the costs to sell.

Note 15 Inventories

In thousands of EUR	2012	2011
Net amounts		
Buildings intended for sale	230,467	197,113
of which activations of borrowing costs	7,513	5,574
Other inventories : Brussels Europa	0	33
Total net carrying amount	**230,467**	**197,146**

The "Buildings intended for sale" classified in "Inventories" represent the real estate projects in the portfolio and in the process of development.

The VICTOR and SOUTH CITY HOTEL projects appear indirectly in the balance sheet under the category "Investments consolidated by the equity method" (see note 12).

The stock item ("Buildings held for sale") is influenced by

- the acquisition of the "AREA OF THE NEW STATION" project in Mons and the additional acquisition of a plot of land for the PORT DU BON DIEU project;
- the development and the studies of complexes HERMES BUSINESS CAMPUS, VACI GREENS, TREBEL, PORT DU BON DIEU and UP-site taking into account the sale of three of its blocks as well as of 83 apartments in the tower.

The capitalization of the financing costs is suspended in case the normal course or active development of a project is interrupted.

Note 16 Current and non current financial assets

In thousands of EUR	Investments in related parties	Other financial investments: Shares	Other financial investments: Securities, other than shares	Other financial investments: Loans	Other financial investments: Total	Derivatives
MOVEMENTS IN FINANCIAL ASSETS						
Non-current financial assets						
Beginning balance	**1**		**185**	**17,526**	**17,711**	**0**
Additions (investments)						
Disposals (-)						
Reclassification (to) from other items				-2,355	**-2,355**	
Disposals through business disposal (-)						
Impairment (losses) reversals	73					
Foreign currency exchange increase (decrease)						
Other increase (decrease)				1,094	**1,094**	
Ending balance	**74**		**185**	**16,265**	**16,450**	**0**
Current financial assets						
Beginning balance		**91**		**28,489**	**28,580**	**0**
Acquisitions						
Disposals (-)						
Disposals through business disposal (-)						
Impairments (-)						
Other increase (decrease)				68,127	**68,127**	
Ending balance		**91**		**96,616**	**96,707**	**0**

For lack of quotation on an active market, the financial assets are maintained at historical cost if their fair value cannot be determined reliably by a different evaluation technique.

The net value of the CITOBI shares as at 31 December 2012 amounted to 91 thousand euro. The non-current "Loans" concern the advances granted to the companies consolidated by the equity method SOUTH CITY HOTEL, IMMOANGE and VICTOR PROPERTIES. As at 31 December 2012, the current "Loans" concern term deposits (more than one month) made with Belgian banks.

The main financial risks can be summed up as follows:

- **Forex risks:** by virtue of its activities, ATENOR GROUP offers sensitivity to exchange rate variations of the Forint (Hungary), the Leu (Romania) and to a lesser extent of the Czech crown. The balance sheets of foreign companies are converted into euro at the official exchange rate at closure of the financial year (see table hereafter). The conversion of the financial statements of the subsidiaries from the functional currency (local currency) to the consolidation currency gave rise to conversion differences presented in the equity. The Group did not establish a specific policy for covering this operational exchange rate risk. (See Note 1 – Principal accounting methods – paragraph 2.10 – Exchange rate risks).
Save for the value of the real estate projects abroad (primarily stock and goodwill), the other assets and liabilities in foreign currencies do not represent important values in the Group's balance sheet.
The sensitivity to variations in exchange rates of these three currencies is booked under translation adjustments. The table below covers the variations of exchange rates 2012/2011.

Exchange rate (€ 1.00 =)	Closing rate 2012	Closing rate 2011	Average rate 2012	Average rate 2011
Czech crown - CZK	25.14	25.80	25.115	24.60
Forint (Hungary) - HUF	291.29	311.13	288.05	280.43
Leu (Romania) - RON	4.4287	4.3197	4.4513	4.2356

- **Credit and liquidity risk:** The investments agreed are mainly made through Belgian financial institutions, in particular BNP PARIBAS FORTIS, BELFIUS, ING and KBC.

  The nominal value of the investments is very close to their market value.

- **Derivatives (assets)**

  ATENOR GROUP uses financial derivative instruments exclusively for the purposes of hedging.

The financial assets are also summarized as follows:

In thousands of EUR	2012	2011
Financial assets at fair value by means of the profit and loss account		
Investments held until their maturity	96,616	28,489
Loans & debts	16,265	17,526
Financial assets available at sale	350	277
Derivatives		
Total of current and non current financial assets	**113,231**	**46,292**

Except the cash pledged to BNP PARIBAS FORTIS as part of the financing of the UP-site project (10.35 million euro) and the advance of 15 million euro received from the European Parliament pledged in favour of KBC, no other financial asset is subject to a guarantee.

For more details concerning the "Rights and obligations", please refer to Note 25.

Within the framework of its project development activities, ATENOR GROUP does not realise any cover on its financial assets.

Levels of fair value hierarchy:

For each category of financial instrument, ATENOR GROUP supplies the methods applied to determine fair value.

Level 1: **Quoted prices on active markets**

None.

Level 2: **Inputs (directly or indirectly) observable data, other than quoted prices**

Derivatives are valued by the bank BELFIUS based on market parameters.

Level 3: **Inputs not based on observable market data**

The fair value of the "Current and non-current financial assets" (including liquid assets – see Note 17) is close to the market value. The fair value of non-quoted financial assets available for sale (CITOBI) is estimated at their book value, taking into account the evolution of the business of the companies concerned and existing shareholder agreements. Their amount is very insignificant.

Note 17 Other current and non-current assets

In thousands of EUR	2012 Current	2012 Non-current	2011 Current	2011 Non-current
Trade and other receivables				
Trade receivables, gross	13,786		2,083	
Allowance for bad and doubtful debts	-31		-25	
Other receivables	2,756	4	3,375	7
Total trade and other receivables	**16,511**	**4**	**5,433**	**7**
Cash and cash equivalents				
Short-term deposits				
Bank balances	2,006		2,525	
Cash at hand	3		4	
Total cash and cash equivalents	**2,009**		**2,529**	
Other assets				
Current tax receivables	1,307		1,770	
Current loans payments	11			
Other assets	816	132	945	83
Total other assets	**2,134**	**132**	**2,715**	**83**

The "Trade and other receivables" are valued at their nominal value, which is a good representation of their market value. The investments were made with Belgian financial bodies (BNP PARIBAS FORTIS, BELFIUS, KBC and ING).

Comment: In Note 16 concerning the "Current and non-current financial assets", other cash investments are also booked in the amount of 96.71 million euro. The total of the liquid assets is established at 98.71 million euro.

The payment periods primarily depend upon the conditions agreed by convention at the time of transfers of investments or major assets. However, there are no long-term receivables not producing interest.

The trade accounts payable and other payables do not represent a significant amount of our assets and do not represent any particular risk.

Note 18 Deferred tax assets and liabilities

In thousands of EUR	2012 Deferred tax assets	2012 Deferred tax liabilities	2011 Deferred tax assets	2011 Deferred tax liabilities
Property, plant and equipment				
Stock of buildings intended for sale		8,786		8,795
Provisions				117
Tax losses	13,395		8,591	
Other				
Total deferred taxes related to temporary differences	**13,395**	**8,786**	**8,591**	**8,912**

In compliance with IAS 12, ATENOR GROUP booked deferred tax assets coming from tax carried forward losses and tax credits recorded for ATENOR GROUP SA, BRUSSELS EUROPA, NAMUR WATERFRONT, MONS PROPERTIES and C.P.P.M.

See Note 7 concerning the deferred taxes recorded in profit and loss.

In thousands of EUR	2012	2011
Total of not booked deferred tax assets	**3,620**	8,208

The deferred taxes relating to the fiscal losses and tax credits of ATENOR GROUP brought forward were recognised at the level of the future estimated taxable profits. The deferred tax assets not recognised amount to 3.62 million euro. The deferred tax assets relating to the fiscal losses of the real estate subsidiaries in Belgium or abroad are recognised only at the time of the evidence that a sufficient tax base will emerge in the foreseeable future allowing them to be used.

In thousands of EUR	Net deferred tax assets	Net deferred tax liabilities	Net situation
On 01.01.2011	10,502	-12,955	**-2,453**
Deferred tax expense and income recorded in profit and loss	-1,911	3,665	**1,754**
Changes in the deferred taxes recorded in equity		378	**378**
On 31.12.2011	8,591	-8,912	**-321**
On 01.01.2012	8,591	-8,912	**-321**
Deferred tax expense and income recorded in profit and loss	4,804	316	**5,120**
Changes in the deferred taxes recorded in equity		-190	**-190**
On 31.12.2012	13,395	-8,786	**4,609**

Note 19 Provisions, risks and contingent liabilities

In thousands of EUR	Guarantee provisions	Provisions for reorganization	Other provisions	Total
Provisions (both current and non-current)				
Provisions, beginning balance	**1,090**	**1,354**	**27**	**2,471**
Additional provisions			398	**398**
Increase (decrease) to existing provisions				
Amounts of provisions used (-)	-32	-1,282	-11	**-1,325**
Amounts not used but written back (-)	-6	-72	-16	**-94**
Increase (decrease) of the discounted amount resulting from the passage of time and the variation of the discount rate				
Other increase (decrease)				
Provisions, ending balance	**1,052**	**0**	**398**	**1,450**
Non-current provisions, ending balance			398	**398**
Current provisions, ending balance	1,052			**1,052**

The risks connected with given guarantees or with disputes under way are the object of provisions when the conditions for recognition of these liabilities are met.

Within the framework of the PIXEL dispute, a provision in the amount of 0.40 million euro has been established. See also Note 23 – Risks management

Following the closure of the BRUSSELS EUROPA hotel in accordance with the procedures of the “Loi Renault”, a provision of an initial 2.5 million euro was made to cover the cost of restructuring. The costs incurred amounted to 1.15 million euro in 2011 and to 1.28 million euro in 2012. They mainly relate to the severance pay of staff. See also Note 4 - Staff Costs

The commitments and obligations (including contingent liabilities) are described in Note 25 to the financial statement.

Note 20 Disputes

The disputes under way are explained in Note 23 describing the Group’s risk management.

Note 21 Financial liabilities and payables

In thousands of EUR	2012				2011			
	Current	Non-current		Total	Current	Non-current		Total
	Up to 1 year	1-5 years	More than 5 years		Up to 1 year	1-5 years	More than 5 years	
Derivatives								
Derivatives	**-**	**165**	**-**	**165**	**99**	**616**	**-**	**715**
Financial liabilities								
Finance lease								
Credit institutions	34,079	3,000		**37,079**	14 869			**14 869**
Bond isssue		134,893		**134,893**		75 000		**75 000**
Bank overdrafts								
Other loans	32,176	12,997	13,420	**58,593**	17 547	17 243		**34 790**
Total financial liabilities according to their maturity	**66,255**	**150,890**	**13,420**	**230,565**	**32 416**	**92 243**	**-**	**124 659**
Trade and other payables								
Trade payables	8,810			**8,810**	7,250			**7,250**
Advance received								
Social debts of which payables to employees	249			**249**	1,191			**1,191**
Taxes	1,095			**1,095**	1,058			**1,058**
Other payables	9,306	11,463	15,000	**35,769**	13 393	11 463		**24 856**
Accrued charges and deferred income	9,111			**9,111**	9,657			**9,657**
Total amount of trade payables according to their maturity	**28,571**	**11,463**	**15,000**	**55,034**	**32 549**	**11 463**	**-**	**44 012**

Policy of indebtedness and financial risks

The financial risks (credit, liquidity and rates) are explained through the Group's policy on indebtedness, which was not changed in 2012.

The Group's indebtedness is structured through direct financing concluded by the parent company and through financing, if need be, concluded by its subsidiaries.

The Group finances itself with various banking partners with top ranking at international level. It maintains a strong long-term relationship with them, enabling it to deal with the Group's financing needs.

The Group diversified its sources of financing from 1999 by entering into a programme of short, medium and long term commercial papers (CP/MTN) and tasked BELFIUS Bank with commercialising them to private and public institutional investors. Since that time the Group has followed a policy of active communication in order to inform as widely as possible the actors of the financial markets and alleviate any drying up of the money market and any crisis independent of the situation and the activities of ATENOR GROUP.

The "back up" BELFIUS line of credit will mature on 30 June 2013.

ATENOR GROUP and its subsidiaries take out the financing necessary to successfully complete the construction of real estate projects. This financing is aimed at covering the entire period of construction by making it possible to aim at commercialisation within a reasonable period of time, generally one year, after the end of the works. Within the framework of this financing, the assets in construction and the shares of ATENOR GROUP's subsidiaries are generally given in pledge to the benefit of the lending credit establishments. When the prospects for commercialisation seem favourable and offer a sufficient margin of manoeuvre concerning the promotion of the project, ATENOR GROUP may decide to finance its projects directly or to finance the subsidiaries developing the projects.

The financial instruments are evaluated at their fair value with variations of value assigned to the profit and loss account, except for financial instruments classified as "Cash flow hedges" for which the part of the profit or the loss on the hedging instrument that is considered as constituting effective cover is entered directly into equity in the section "other comprehensive income".

Insofar as the "Fair value hedge" is concerned, the changes in the fair value of the derivatives designated and categorised as fair value hedges are entered in the profit and loss account, just as the changes in fair value of the asset or liability hedged imputable to the risk hedged.

Interest rate risks

The financing of the Group and the financing of projects through the Group's subsidiaries are provided based on a short-term rate, the 1 to 12 month Euribor. When drawdowns are made for longer durations (from two to five years), the Group takes out advances at a fixed rate or at a floating rate accompanied by a swap transforming the floating rate into a fixed rate (IRS). Within the framework of project financing, the banks authorise drawdowns of 1 to 12 months for the duration of the financing connected with the duration of the construction. Within this framework and taking into account the budgets prepared for each project, the impact of a rise in short-term rates is limited. In addition, the part represented by financial costs in the budget of a project represent between 6 and 8% of the total. Consequently the sensitivity to a very strong variation of the short-term rates remains relatively low and limited.

Derivatives (liabilities)

ATENOR GROUP uses financial derivative instruments exclusively for the purposes of hedging.

The item "Derivatives liabilities" thus concerns the fair value of the "Interest rate swaps" (-0.17 million euro) contracted by ATENOR GROUP s.a. within the framework of its long-term financing (10 million euro). The compensation of the "Cash flow hedges" is booked in the equity. The changes in value of the derivatives categorised as "Fair value hedges" are entered in the profit and loss account but the changes in fair value of the liabilities hedged imputable to the risk hedged (-0.17 million euro) are imputed directly to the financial debts.

Financial debts

The financial liabilities are also summarised as follows:

In thousands of EUR	2012	2011
Financial liabilities at fair value by means of the profit and loss account		
elements designated as such at the time of their initial booking	230,730	125,275
elements designated as being held for transaction purposes(*)	-165	-616
Financial liabilities valued at amortised cost		
Total	**230,565**	**124,659**

* In 2012, the "fair value" adjustment of the derivatives in liabilities amounted to -0.17 million euro.

On 31 December 2012, the group indebtedness amounted to 230.57 million euro compared with 124.66 million euro at the end of 2011.

On 26 October 2012, ATENOR GROUP successfully issued a new bond at a fixed rate (5.375%) for an amount of 60 million euro.

As part of the financing of the UP-site project, the subsidiary BUILD UP signed a credit agreement covering funding and the issuing of guarantees, in particular concerning the "Loi Breyne" with a view to carrying out the development of this Brussels real estate project. On 31 December 2012, the use of this line of credit increased to 88.23 million euro (61.16 million euro of this as Breyne Act guarantee).

The "Other loans" (58.59 million euro) mainly concern "Commercial Papers" and "Medium term notes" taken out by ATENOR GROUP s.a. within the framework of its CP/MTN programme commercialised by BELFIUS Bank. The book value of the financial debts corresponds to their nominal value, corrected by the fees and commissions for setting up these credits and the adjustment connected with the valuation of the financial derivatives.

Sensitivity analysis on the variation of the interest rates

As a reminder, ATENOR GROUP issued, in January 2010, a bond at a fixed rate (6%) for an amount of 75 million euro. This bond issue as well as the second bond issued in October 2012 made it possible, among other things, to transform short term indebtedness to the long term, leading to a rise in the average annual rate of interest (4.57%) borne by the Group and explaining the increase in the financial charges since 2010 compared to periods prior to 2010. This decision made it possible to sharply reduce ATENOR's sensitivity to the fluctuation in interest rates. In effect, the proportion of indebtedness at floating rate amounts to barely 4.34% (10 million euro) of the total of the financial debts. The variations of rates calculated in the hereafter table show the limited impact of an increase or a decrease in short term interest rates.

Impact of the variation of 1% of the average interest rate of the debt and the impact on the 2013 result	Average variable interest rate	Average interest rate of all the debt	Impact 2013 result (in thousands of EUR)
Average interest rate	2.0379%	4.568%	
Average interest rate + 1%	3.0518%	4.64%	-101
Average interest rate - 1%	1.024%	4.496%	+101

Financial debts (in EUR)

Bond issue at 6%	**18.01.2010 to 18.01.2015**	75,000,000
Bond issue at 5.375%	**26.10.2012 to 26.10.2017**	60,000,000
Total bonds		**135,000,000**
Credit institutions		
Atenor Group Participations		3,000,000
Projects	Europa (*)	7,000,000
	UP-site	27,079,000
Total credit institutions		**37,079,000**
Other loans	**Expiry dates**	
CP	2013	32,350,000
MTN	17.11.2014 (**)	5,000,000
	16.03.2015	2,000,000
	23.07.2015 (**)	5,000,000
	23.05.2016	1,000,000
	20.11.2020	13,500,000
Total other payables		**58,850,000**

* Whose maturity is 31.03.2013.

** Structures not reimbursable in 2013 according to the prevailing conditions on the financial markets at the date of publication of the Annual Report.

Principal characteristics of the bond issues

No. 1 – 2010 - 2015

- Financial Markets: Belgium and the Grand Duchy of Luxembourg
- Amount: € 75,000,000
- Gross annual interest of 6.00%
- Gross actuarial yield: 5,56%
- Issue date: 18.01.2010
- Maturity date: 18.01.2015
- Issue price: 101,875%
- Bond with a nominal value of € 1,000
- Listed on Luxembourg Stock Exchange - ISIN code: BE5988406146
- Joint Bookrunners and Lead Managers: KBC and Degroof Banks

No. 2 – 2012 - 2017

- Financial Markets: Belgium and the Grand Duchy of Luxembourg
- Amount: € 60.000.000
- Gross annual interest of 5.375%
- Gross actuarial yield: 4,943%
- Issue date: 26.10.2012
- Maturity date: 26.10.2017
- Issue price: 101,875%
- Bond with a nominal value of € 1,000
- Listed on the market of Euronext Brussels - code ISIN: BE0002188549
- Joint lead Managers and Joint Bookrunners: Belfius and Degroof Banks

Trade and other payables

The "other non-current liabilities" of 26.46 million euro correspond on the one hand to the balance due (11.46 million euro) under the leasehold agreement of 28 June 2011 and concerning the TREBEL (3.15 million euro of which were reimbursed on 3 January 2013) and on the other hand, to the advance of 15 million euro received from the European Parliament following the signing of the preliminary sales agreement of the TREBEL project.

The "Trade and other current payables" have a maturity in 2013. Please also refer to note 23 concerning the Risks Management.

The "accruals" consist primarily of interest charges to be charged on the two bond issues (4.88 million euro) and deferred income (in progress) recorded on the sales of long leases for the B2 block and the 73 apartments of the UP-site project (3.64 million euro).

The "Trade and other payables" are valued at their face value, which is a good approximation of their fair value.

Levels of fair value hierarchy:

For each category of financial instrument, ATENOR supplies the methods applied to determine the fair value.

Level 1: **Quoted prices on active markets**

None

Level 2: **Inputs (directly or indirectly) observable data, other than quoted prices**

The derivatives are valued by the BELFIUS bank based on market parameters.

Level 3: **Inputs not based on observable market data**

All the "Financial liabilities" are valued on the cost amortized on the basis of the effective interest rate on their book value, supported by conventions and amounts borrowed.

The "Trade and other payables" are measured on their initial book value, supported by the conventions, invoices and amounts paid.

In thousands of EUR	Current	Non-current	Total
Movements on financial liabilities	Up to 1 year	More than 1 year	
On 31.12.2011	32,416	92,243	**124,659**
Movements of the period			
- New loans	32,710	76,500	**109,210**
- Reimbursement of loans	-3,576		**-3,576**
- Short-term/long-term transfer	4,250	-4,250	
- Hedging of fair marketvalue	451		**451**
- Others	4	-183	**-179**
On 31.12.2012	66,255	164,310	**230,565**

Note 22 Employee benefits

In thousands of EUR	2012	2011
Evolution of the employee benefits		
At the end of the preceding period	118	191
Establishment of new provisions		
Transfers to "Liabilities included in disposal groups held for sale"		
Amounts of provisions used or provisions reversed	-75	-73
At the end of the period	**43**	**118**
of which non-current pension obligation	34	63
of which current pension obligation	9	55

In 2012, the employee benefits cover the Group's insurance obligations (IAS 19) as well as the provision set up on behalf of one person within the framework of his pre-pension from ATENOR GROUP s.a. (maturity end of February 2013).

SOP 2007

As it will be recalled, in compliance with the decision of the Remuneration Committee of 13 December 2006, ratified by the Board of Directors of 31 May 2007, ATENOR GROUP on 3 August 2007 issued a total of 50,000 options on own shares to various members of the Management and the Staff. The exercise price was set at 42.35 euro which corresponds to the average closing price of the quotes of the 30 days preceding the issue date. These options were exercisable during the periods from 28 March 2011 to 22 April 2011, from 1 October 2011 to 31 October 2011 and from 26 March 2012 to 20 April 2012.

In compliance with the legislation in force, the Board of Directors of 29 May 2009 decided to grant an extension of five years to the beneficiaries of the SOP 2007 taking the final maturity to 22 April 2017, without extension of the duration of acquisition of rights (see Note 9 – Capital).

Based on the value of the options on the date of allocation (3 August 2007), the charge was spread over five years prorata temporis. This charge amounted to 31 thousand euro in 2007, 76 thousand euro in 2008, 70 thousand euro in 2009, 73 thousand euro in 2010 and 18 thousand euro in 2011.

The valuation of these options was based on the following parameters (sources Banque DEGROOF and ATENOR):

- Increasing the dividend: 10%
- Volatility: 24%
- Quotation of reference: 41.30 euro
- Risk-free interest rate: 4.44%.

SOP 2008

Moreover, in compliance with the decision of the Remuneration Committee of 18 December 2007, ratified by the Board of Directors of 3 March 2008, ATENOR GROUP issued on 5 May 2008 a total of 51,700 options on own shares to various members of the Management and the Staff. The exercise price was set at 39.17 euro which corresponds to the average closing price of the quotes of the 30 days preceding the issue date. These options were exercisable during the periods from 26 March 2012 to 20 April 2012 and from 1 October 2012 to 31 October 2012.

In compliance with the legislation in force, the Board of Directors of 29 May 2009 decided to grant an extension of five years to the beneficiaries of the SOP 2008 taking the final maturity to 31 October 2017, without extension of the duration of acquisition of rights (see Note 9 – Capital).

Based on the value of the options on the date of allocation (5 May 2008), the charge was spread over five years prorata temporis. This charge amounted to 139 thousand euro in 2008, 207 thousand euro in 2009, 2010, 2011 and 55 thousand euro in 2012.

The valuation of these options was based on the following parameters (sources Banque DEGROOF and ATENOR):

- Increasing the dividend: 8%
- Volatility: 30%
- Quotation of reference: 50 euro
- Risk-free interest rate: 4.40%.

SOP 2009

The Remuneration Committee of 17 December 2008 approved the issuing of the third tranche of the stock option plan intended for members of the Management and the Staff. This plan proposed on 20 January 2009 concerns a total of 50,600 existing shares and therefore does not give rise to the issue of new shares. These options are exercisable during the periods from 11 March to 11 April 2013 and from 2 September to 30 September 2013 at the unit price of 37.83 euro, i.e. the average closing price of the quotes of the 30 days preceding the issue date.

Based on the value of the options on the date of allocation (20 January 2009), the charge was spread over five years prorata temporis. This charge amounted to 86 thousand euro in 2009 and to 94 thousand euro in 2010, 2011 and 2012. It will be 23 thousand euro in 2013.

The valuation of these options was based on the following parameters (sources Banque DEGROOF and ATENOR):

- Increasing the dividend: 8%
- Volatility: 25.9%
- Quotation of reference: 37.7 euro
- Risk-free interest rate: 2.29%.

SOP 2010

The Board of Directors of 3 March 2009 approved a new Stock Option Plan for three years. Therefore as at 2 February 2010 ATENOR GROUP issued a first tranche of 50,000 options on own shares intended for members of the

Management and the Staff. These options can be exercised during the periods from 11 March to 11 April 2014 and from 2 to 30 September 2014 at the unit price of 36.18 euro, i.e. the average closing price of the quotes of the 30 days preceding the issue date.

Based on the value of the options on the date of allocation (2 February 2010), the charge was spread over five years prorata temporis. This charge amounted to 25 thousand euro in 2010 and 27 thousand euro annually in 2011 and 2012. It will amount to 27 thousand euro in 2013 and 7 thousand euro in 2014.

The valuation of these options was based on the following parameters (sources Banque DEGROOF and ATENOR):

- Increasing the dividend: 8%
- Volatility: 25%
- Quotation of reference: 37.7 euro
- Risk-free interest rate: 1.64%.

SOP 2011

As at 1st February 2011 ATENOR GROUP issued a second tranche of 53,200 options on own shares intended for members of the Management and the Staff. These options can be exercised during the periods from 10 March to 10 April 2015 and from 2 to 30 September 2015 at the unit price of 33.40 euro, i.e. the average closing price of the quotes of the 30 days preceding the issue date.

Based on the value of the options on the date of allocation (1st February 2011), the charge was spread over five years prorata temporis. This charge amounted to 21 thousand euro in 2011, to 23 thousand euro in 2012. It will amount to 23 thousand euro annually in 2013 and 2014 and 6 thousand euro in 2015.

The valuation of these options was based on the following parameters (sources Banque DEGROOF and ATENOR):

- Increasing the dividend: 5%
- Volatility: 20%
- Quotation of reference: 32.9 euro
- Risk-free interest rate: 2.64%.

SOP 2012

On 13 January 2012 ATENOR GROUP issued a third tranche of 50,000 options on own shares intended for members of the Management and the Staff. These options can be exercised during the periods from 10 March to 8 April 2016 and from 2 to 30 September 2016 at the unit price of 23.46 euro, i.e. the average closing price of the quotes of the 30 days preceding the issue date.

Based on the value of the options on the date of allocation (13 January 2012), the charge was spread over five years prorata temporis. This charge amounted to 22 thousand euro in 2012. It will amount to 23 thousand euro annually from 2013 to 2015 and to 5 thousand euro in 2016.

The valuation of these options was based on the following parameters (sources Banque DEGROOF and ATENOR):

- Increasing the dividend: stable
- Volatility: 25%
- Quotation of reference: 25.05 euro
- Risk-free interest rate: 1.58%.

Note 23 Risks management

ATENOR GROUP's activities consist in the realisation of real estate developments, either directly or through subsidiaries.

ATENOR GROUP is faced with the risks and uncertainties inherent in this activity and, in particular, the changes in international economic trends and the markets in which the buildings are constructed, and the changes in the bases of the financial markets, such as interest rates and the volume of funds intended for investment.

The Board of Directors is attentive to the analysis and management of the various risks and uncertainties to which ATENOR GROUP and its subsidiaries are subject.

Furthermore, the Board of Directors sets out three identified risks in the legal proceedings with which ATENOR GROUP is confronted:

- In the context of the tax dispute involving what are known as "Liquidity Companies", which could concern more than 700 companies in Belgium, major charges were brought against certain of the Group's former subsidiary companies. These companies had been sold, more than twelve years ago, to investors introduced and recommended to ATENOR GROUP by intermediaries and banking institutions of repute.

  It transpired that these investors might have embezzled the liquidities of the acquired companies and failed to fulfil their tax obligations by not proceeding with any reinvestment as announced.

  These tax disputes, which do not relate to ATENOR GROUP directly, have given rise to criminal complaints or civil proceedings, mainly against the buyers and the intervening banks but also against ATENOR and certain members of its management.

  Currently, ATENOR GROUP and some of its directors are still involved in three ongoing proceedings before the examining courts.

  Within the scope of the on-going judicial procedure regarding "Erasmonde – American Energy", the Grand Jury of Brussels is expected to rule soon on the appeal directed against an order for referral pronounced in September 2011, against 13 companies and people including ATENOR GROUP and Stéphan Sonneville, the representative of Stéphan Sonneville s.a. (ATENOR GROUP's CEO).

  Within the scope of the "E. Migeotte / Société Générale (France)" case, the Council Chamber of Turnhout in February 2012 dismissed the charges with regard to ATENOR GROUP and certain of its directors in office at the time of the events but this order was appealed by the Public Ministry. The proceedings are therefore following their course.

  Finally, the "D-side - Cabepo" case is currently pending before the Court of Appeals of Brussels; it referred the case "sine die", one of the parties having requested additional investigative measures.

  In general, ATENOR GROUP, which fully and honestly cooperated in the investigations carried out by the legal and tax authorities, confirms that it has not committed any fraud either with regard to tax law or to company law, and is confident that its good faith will be acknowledged in all of the above mentioned files.

- As regards the PIXEL building in Luxembourg, general contractors Soludec and CIT Blaton issued a summons against ATENOR GROUP for reimbursement of penalties for which ATENOR GROUP had obtained payment by calling on bank guarantees (0.54 million euro) and as payment for various other damages).

  On 9 March 2012, the District Court of Luxembourg partially accepted this request, to the limit of 0.37 million euro. On 24 May 2012, ATENOR GROUP, appealed this ruling and set aside provisions in the 2012 in the amount of 0.37 million euro.
- A dispute opposes the Atenor Group Luxembourg to the consortium of the contractors Soludec, CIT Blaton and Van Laere, to whom the construction of the PRESIDENT building was entrusted. ATENOR is asking in court in particular for the application of contractual penalties for lateness, while the contractors are claiming various damages. A court-ordered appraisal is under way. Atenor Group Luxembourg has called upon the bank guarantees set up for its benefit. From them it obtained payment (5.06 million euro) by ruling in February 2011. This ruling was confirmed in December 2012 by the Court of Appeals of Luxembourg. This amount has not been recorded in the consolidated results.

ATENOR GROUP is of the opinion that the claims the Group is facing are unfounded and, consequently, except as mentioned above for the PIXEL building, no provision has been made for dealing with these disputes.

Risk connected with the economic situation

The economic situation influences on the one hand the confidence of investors, candidate buyers for the real estate projects that ATENOR GROUP and its subsidiaries (the "Group") are developing, and on the other hand the confidence of companies in the private sector and actors in the public sector that are candidate tenants for these same properties.

However, the real estate promotion sector presents a time gap in comparison with the economic cycle of industries and services. For more than 20 years, ATENOR GROUP has been demonstrating its ability to anticipate its decisions regarding investments, launching or disinvestment in such a way as to reduce the impact or, as need be, to take advantage of a given economic situation.

The forecasts available currently concerning the countries in which ATENOR GROUP has invested have been taken into account in the forecasts of results; if the economic situation of these countries should deteriorate beyond the given forecasts, the forecasts for ATENOR GROUP's results would have to be revised downward as a consequence.

Risk connected with the development activity

Before every project acquisition, ATENOR GROUP conducts urban planning, technical, environmental and financial feasibility studies, most often in association with specialised external advisers.

In spite of all the precautions taken, unexpected problems connected with external factors (delays while awaiting decisions of the administrative authorities, new regulations, especially on the subject of soil pollution or energy performance, bureaucracy, environmental protection, etc.) and undetected risks can appear suddenly in projects developed by the Group, leading to delays in delivery and budget overruns.

ATENOR GROUP remains, in addition, reliant on the evolution of local markets whose supply of offices or residential units could quickly exceed the demand, leading to a risk of a reduction in rents.

The location of projects in strategic spots in capitals chosen by ATENOR GROUP constitute an important criterion in its strategy. In spite of everything, these choices remain a risk that ATENOR GROUP endeavours to anticipate and control.

The complexity of the projects, the application of the regulations, the multiplicity of the participants, the necessity of obtaining permits, of searching for and finding tenants and finally, investor buyers constitute activities and risks with which the promoter is confronted. To handle these specific risks, over many years ATENOR GROUP has established systems of control and has employees who are experienced concerning the development of offices and residential units.

Risks connected with urban planning rules

The Group is obligated to comply with numerous rules concerning urban planning. It can happen that these urban planning rules are revised by the political and/or administrative authorities after ATENOR GROUP has acquired a parcel. Land allocation or the scale authorised could thus be subject to major changes in comparison with the expectations of ATENOR GROUP. The modifications that these new rules lead to could require the Group's employees and the specialised external advisers to adapt the projects and to limit the impact that these new situations lead to.

Given the complexity of certain local, regional or national regulations, and in particular the process leading to obtaining building permits, it is possible to note delays in the implementation and the start-up of a project. ATENOR GROUP has long experience in these processes and remains, nonetheless, vigilant regarding the technical and financial consequences of these situations.

Risk of destruction of projects under way or completed and not transferred

The real estate projects of the Group and its subsidiaries could be exposed to risks of flooding, fire, or explosion causing their destruction or their deterioration. The Group and all its subsidiaries cover these risks to the extent possible by taking out insurance policies appropriate to the individual situation of each of the projects. The Group's employees take care to have the regulations in force complied with and ensure in the contracts concluded with all the subcontractors that they apply the mandatory safety measures.

In the event of concluding a lease, depending on the circumstances, a "loss of revenue" insurance policy could be taken out by the Group or the subsidiary concerned with the project.

ATENOR GROUP takes care to enter into leases with top-quality tenants. There is nonetheless a third-party counterpart risk, the tenant, if it defaults.

Risk connected with direct and indirect taxation

Since the Group and its subsidiaries produce real estate developments in Belgium, the Grand Duchy of Luxembourg, Romania and Hungary, with relatively little activity in the Czech Republic, they are exposed to risks connected with amendments to the laws relating to direct and indirect taxes in these countries. Concerning VAT, this risk remains limited, however, by the application of the European directives in all the countries cited.

Risk of other counterparts

This risk is aimed primarily at the buyers of the projects developed by the Group. In spite of the extreme precaution provided by ATENOR GROUP in the choice of investors that are candidates for buying a project, and in spite of the attention to the reputation and the solvency of these potential buyers, there is a risk of default of the counterparts and in the event of an unexpected occurrence, ATENOR GROUP's results could be affected.

Note 24 Events after the balance sheet date

No important event occurring since 31 December 2012 must be noted.

Note 25 Rights and obligations

In thousands of EUR	2012	2011
Guarantees constituted or irrevocably promised by third parties		
Bank guarantees for security deposits [1]	13,531	13,078
Other security deposits received	100	100
Real securities constituted or irrevocably promised by the companies on their own assets		
Mortgages [2]:		
accounting value of the buildings mortgaged	69,663	48,965
amount of the registration	78	78
with mortgage proxy	61,922	61,922
Guaranteed deposits [3]	25,345	7,869
Guaranteed securities	p.m.	p.m.
Goods and shares held on behalf of third parties		

[1] This item includes the bank guarantees received from contractors within the framework of the UP-site (11.46 million euro), VACI GREENS (1.74 million euro) and HBC (0.33 million euro) projects.

[2] Mortgages
- in favour of BELFIUS within the framework of the loan taken out by BRUSSELS EUROPA (Maturity: 03.2013) and
- in favour of BNP PARIBAS FORTIS within the framework of the loan taken out by BUILD UP.

[3] Secured deposits: 10.35 million euro within the framework of the BNP PARIBAS FORTIS financing (UP-site project) and 15 million euro in favour of KBC (TREBEL project).

In thousands of EUR	2012	2011
Other acquisition or transfer commitments		
Commitments for the sale of securities		
Commitments for the acquisition of buildings [4]	20,744	13,066
Purchase option on buildings	p.m.	p.m.
Commitments and guarantees constituted towards third parties		
Various bank guarantees/other security deposits in solidarity [5]	89,181	13,661
Lease guarantees	146	178
Other rights		
Agreement protocol D.R.C.	-	330
Earn out - disposal IDM A	-	462

[4] Concerns the undertakings to acquire plots of land for BRUSSELS EUROPA to CONNECTIMMO (9.6 million euro), the project in Mons called "AREA OF THE NEW STATION" (5.5 million euro), the FORMER SUGAR SITE project in Ath (2.3 million euro) and the TREBEL project (maximum 3.3 million euro).

[5] This item covers in particular:
- the BNP PARIBAS FORTIS "Loi Breyne" bank guarantee related to the UP-site project (61.16 million euro),
- the KBC bank guarantee of 15 million in favour of the European Parliament,
- a joint and indivisible security of ATENOR GROUP in the amount of 7.00 million euro on behalf of BRUSSELS EUROPA in favour of BELFIUS (Maturity: 03.2013),
- an undertaking of 2.45 million euro of ANAPHOR VENTURE within the framework of the sale of D'SIDE GROUP.

Note 26 Structure of the Group

Company Name	Head Office	Fraction of the capital directly or indirectly held in %
Subsidiaries consolidated by the full consolidated method		
ALCO BUILDING	B-1310 La Hulpe	100.00
ANAPHOR VENTURE (in liquidation)	B-1310 La Hulpe	96.07
ATENOR GROUP CENTRAL EUROPE	B-1310 La Hulpe	100.00
ATENOR GROUP HUNGARY	H-1126 Budapest	100.00
ATENOR GROUP LUXEMBOURG	L-1466 Luxembourg	100.00
ATENOR GROUP PARTICIPATIONS	B-1310 La Hulpe	100.00
ATENOR GROUP ROMANIA	RO-50552 Bucharest	100.00
ATENOR REAL ESTATE	B-1310 La Hulpe	100.00
BRUSSELS EUROPA	B-1040 Brussels	100.00
MONS PROPERTIES (ex Brussels Europa Properties)	B-1310 La Hulpe	100.00
BUILD UP	B-1310 La Hulpe	100.00
C.P.P.M.	B-1310 La Hulpe	100.00
CITY TOWER	H-1126 Budapest	100.00
CITY VIEW TOWER	H-1126 Budapest	100.00
DREWS CITY TOWER	H-1126 Budapest	100.00
HF IMMOBILIER	L-1466 Luxembourg	100.00
I.D.M. (in liquidation)	B-1310 La Hulpe	99.64
IMMOBILIÈRE DE LA PETITE ÎLE (IPI)	B-1310 La Hulpe	100.00
LAURENTIDE	B-1310 La Hulpe	100.00
LAZER IMMO Sro	CZ-79661 Prostejov	100.00
NAMUR WATERFRONT	B-1310 La Hulpe	100.00
NGY Propertiers Investment	RO-11469 Bucharest	100.00
UP 35	B-1310 La Hulpe	100.00
Joint venture companies consolidated by the equity method		
IMMOANGE	B-1160 Brussels	50.00
SOUTH CITY HOTEL	B-1160 Brussels	40.00
VICTOR ESTATES	B-1160 Brussels	50.00
VICTOR PROPERTIES	B-1160 Brussels	50.00
Non-consolidated financial assets		
PLANTADEM (in liquidation)	B-1310 La Hulpe	52.42

The main changes of perimeter during 2012:

Background: the company Atenor Group Participations was created on 22 December 2011. It aims at taking participating interests in the amount of 10% in each of the subsidiaries developing a real estate project. The acquisitions of these participating interests were made in 2012.

Statement by the management

Stéphan SONNEVILLE s.a., CEO, President of the Executive Committee and the Members of the Executive Committee from which Mr Sidney D. BENS, CFO, acting in the name of and on behalf of ATENOR GROUP s.a. attest that to the best of their knowledge:

- the consolidated financial statements at 31 December 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and fairly present the assets, financial situation and results of ATENOR GROUP and the companies included in the consolidation (1);
- the management report contains a true reflection of the development of the business, the results and the situation of ATENOR GROUP s.a. and the consolidated companies as well as a description of the main risks and uncertainties with which they are confronted.

(1) Affiliated companies of ATENOR GROUP in the sense of article 11 of the Company Code

Report of the Auditors

Statutory auditor's report to the general shareholders' meeting on the consolidated financial statements of the company ATENOR GROUP SA/NV as of and for the year ended 31 december 2012

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report includes our opinion on the consolidated statement of financial position for the year ended 31 December 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended and the related notes as well as our report on other legal and regulatory requirements.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – UNQUALIFIED OPINION

We have audited the consolidated financial statements for the year ended 31 December 2012 prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. The total of the consolidated statement of financial position amounts to EUR 394,785,682.32 and the consolidated income statement shows a profit for the year (Group share) of EUR 9,488,913.98.

BOARD OF DIRECTOR'S RESPONSIBILITY FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The company's board of directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

STATUTORY AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing, Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers the internal controls relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

UNQUALIFIED OPINION

In our opinion, the consolidated financial statements of the company ATENOR GROUP SA/NV give a true and fair view of the group's net equity and consolidated financial position as at 31 December 2012 and of its results and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The board of directors is responsible for the preparation and the content of the Management report on the consolidated financial statements.

In the framework of our mandate our responsibility is to verify compliance, in all material respects, with certain legal and regulatory requirements. On this basis, we provide the following additional statement, which does not modify our opinion on the consolidated financial statements:

- The Management report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the Group is facing and on its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 21 March 2013

Mazars Réviseurs d'Entreprises SCRL

Statutory Auditor
Represented by
Philippe GOSSART

ANNUAL ACCOUNTS

Financial Annual Report 2012

The statutory accounts have been drawn up in compliance with the Belgian accounting standards.

In conformity with article 105 of the Companies Code, the annual statutory accounts of ATENOR GROUP s.a. are presented in a summary form.

The submission of the consolidated statutory accounts will be made at the latest thirty days after their approval.

The auditor issued an opinion without reservation on the statutory annual accounts of ATENOR GROUP s.a.

The annual accounts, the management report and the report of the auditor are available upon simple request from the following address:

Avenue Reine Astrid, 92 in B-1310 La Hulpe.

Financial statements (abbreviated version)

In thousands of EUR		2012	2011
BALANCE SHEET			
Assets			
Fixed Assets		**249,409**	**220,828**
I.	Start-up expenses	187	55
II.	Intangible assets	18	31
III.	Tangible assets	326	379
IV.	Financial assets	248,878	220,363
Current Assets		**117,375**	**53,372**
V.	Amounts receivable after one year	1,149	7
VI.	Stocks and orders in the course of execution	19,251	18,308
VII.	Amounts receivable within one year	2,471	1,764
VIII.	Investments	93,532	32,302
IX.	Cash at bank and petty cash	577	501
X.	Deferred charges and accrued income	395	490
TOTAL ASSETS		**366,784**	**274,200**
Liabilities			
Group capital and reserves		**97,891**	**103,134**
I.	Capital	38,880	38,880
IV.	Reserves	16,576	16,576
V.	Accumulated profits	42,435	47,678
Provisions and deferred taxes		**1,363**	**1,665**
VII.	A. Provisions for liabilities and charges	1,363	1,665
Creditors		**267,530**	**169,401**
VIII.	Amounts payable after one year	190,528	103,712
IX.	Amounts payable within one year	71,720	60,979
X.	Accrued charges and deferred income	5,282	4,710
TOTAL LIABILITIES		**366,784**	**274,200**

In thousands of EUR		2012	2011
INCOME STATEMENT			
I.	Operating income	15,542	41,757
II.	Operating charges	-7,854	-24,824
III.	**Operating profit (loss)**	**7,688**	**16,933**
IV.	Financial income	2,486	3,518
V.	Financial charges	-5,811	-7,980
VI.	**Operating profit (loss) before taxes**	**4,363**	**12,471**
VII.	Extraordinary income	827	3,517
VIII.	Extraordinary charges	-445	-2,684
IX.	**Profit of the financial year before taxes**	**4,745**	**13,304**
X.	Incomes taxes	-1	-
XI.	Profit of the financial year	4,744	13,304
XII.	**Profit of the financial year to be appropriated**	**4,744**	**13,304**

		2012	2011
APPROPRIATION ACCOUNT			
A.	**Profit to be appropriated**	**52,422**	**57,645**
	1. Profit for the financial year	4,744	13,304
	2. Profits brought forward	47,678	44,341
C.	**Appropriations to equity (-)**	**-**	**-**
	2. To legal reserve	-	-
D.	**Profit (loss) to be carried forward (-)**	**-42,435**	**-47,678**
	1. Profit to be carried forward	42,435	47,678
F.	**Profit to be distributed (-)**	**-9,987**	**-9,967**
	1. Dividends	9,762	9,762
	2. Director's entitlements	225	205

Declaration relating to the consolidated accounts

The undertaking draws up and publishes the consolidated accounts and a consolidated management report in conformity with the legal arrangements.

General information

IDENTITY CARD

ATENOR GROUP is a limited company (s.a.).

The registered office is located at avenue Reine Astrid 92 in B-1310 La Hulpe.

Article 4 of its Articles of Association specifies that the company is established for an unlimited duration.

The financial year starts on the first of January and ends on the thirty-first of December each year.

The Articles of Association are available on website www.atenor.be.

REGISTERED OFFICE OF ATENOR GROUP

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1310 La Hulpe

Belgium

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Fax: +32-2-387 23 16

e-mail: info@atenor.be

Website: www.atenor.be

Enterprise n°: VAT BE 0403 209 303

STOCK EXCHANGE LISTING OF ATENOR GROUP SHARE

NYSE Euronext Brussels
ISIN code: BE0003837540

STOCK EXCHANGE LISTING OF ATENOR GROUP BONDS

Stock Market of Luxembourg: 2010-2015 bonds – rate of 6%
ISIN code: BE5988406146

Euronext Brussels: 2012-2017 bonds – rate of 5,375%
ISIN code:BE0002188549

REUTERS

ATEO.BR

BLOOMBERG

ATEB BB

FINANCIAL CALENDAR [1]

26 April 2013

Intermediate declaration for first quarter 2013
General Assembly 2012
Communication relating to the terms and modalities of the optional dividend

30 May 2013

Dividend payment (subject to the approval of the General Assembly and the allocation of the shares in the framework of the optional dividend)

27 August 2013

Half-year results 2013

14 November 2013

Intermediate declaration for third quarter 2013

25 April 2014

General Assembly 2013

FINANCIAL SERVICES

The financial service of ATENOR GROUP responsible for payment of dividends up to and including the coupon nr. 6 (relating to 2011) is provided by Degroof Bank (designated as main paying agent).

Degroof Bank (Main paying agent)
Rue de l'Industrie, 44 in B-1040 Brussels

The financial service charged with the optional dividend (coupon nr. 7 relating to 2012) is provided by Euroclear Belgium.

Euroclear Belgium
Boulevard du Roi Albert II, 1 in B-1210 Saint-Josse-ten-Noode

[1] Dates subject to changes

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