



FINANCIAL ANNUAL
REPORT 2017



KEY CONSOLIDATED FIGURES

ON 31.12.2017

Key figures ATENOR (in millions of €)

	IFRS	2013	2014	2015	2016	2017
Net results (group share)		12.03	15.33	19.96	20.37	22.18
Current cash flow ⁽¹⁾		12.26	17.74	23.03	19.72	25.51
Capital and reserves		104.79	112.90	126.80	139.39	149.64
Market capitalization		179.88	218.29	264.66	256.27	264.63

(1) Net profits + depreciation, provisions and reductions in value.
The 2017 consolidated financial statements were drawn up in accordance with the IFRS standards as adopted in the European Union.

Figures per share (in €)

	2013	2014	2015	2016	2017
Capital and reserves	19.95	20.69	22.52	24.75	26.57
Current cash flow	2.33	3.25	4.09	3.50	4.53
Net consolidated results (group share)	2.33*	2.85*	3.59*	3.73	4.07
Dividend					
Gross dividend	2.00	2.00	2.00	2.04	2.08
Net ordinary dividend	1.50	1.50	1.46	1.428	1.456
Number of shares	5,251,918	5,457,264	5,631,076	5,631,076	5,631,076

* Weighted average based on the capital increases (optional dividend)

Stock market ratios

	2013	2014	2015	2016	2017
List price/book value	1.72	1.93	2.09	1.84	1.77
List price on 31 December (€)	34.25	40.00	47.00	45.51	47.00
Gross return for 1 year	13.10%	22.63%	22.50%	1.09%	7.76%
Gross return	5.84%	5.00%	4.26%	4.48%	4.34%
Net ordinary dividend/list price	4.38%	3.75%	3.11%	3.14%	3.10%

Glossary :

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

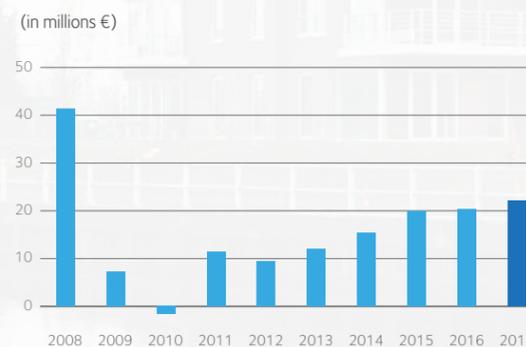
Evolution of ATENOR share compared with the Belgian All Shares (taking into account the reinvestment of dividends)



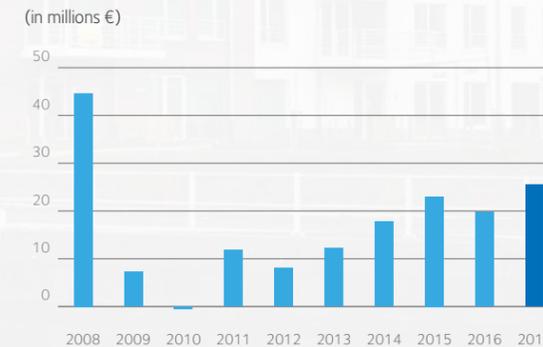
Evolution of ATENOR share compared with the EPRA Europe (taking into account the reinvestment of dividends)



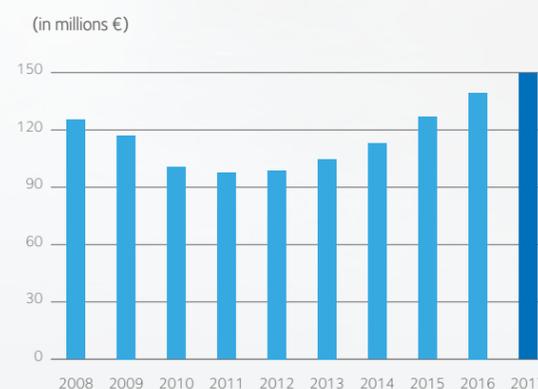
Net consolidated results



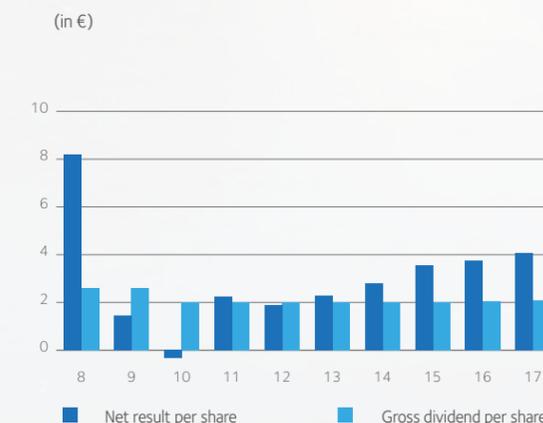
Current cash flow



Consolidated capital and reserves



Net results and gross dividend per share



SUMMARY

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Esch-sur-Alzette, NAOS



Bucharest, DACIA



Belval, TWIST

PROFILE

ATENOR is a real estate development company quoted on the continuous market of Euronext Brussels.

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

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

MISSION & VALUES

By investing in ATENOR, shareholders expect a return.

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

Over the years, we have defined and specified 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 and increasingly

diversified positive results, and on the other hand to ensure the growth of the value of ATENOR's assets through the consolidation and the expansion of its know-how and the constant renewal of its portfolio with new projects.

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 appears as the result of the action of each employee, motivated to contribute his or her best work every day.

ATENOR s.a.

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See additional information
www.atenor.be



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Join us on facebook

ATENOR 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.

> Strategy

Letter to the shareholders
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STRATEGY

The activity of ATENOR is real estate development.

For more than 25 years, ATENOR has accumulated results while continuing to create know-how recognized by the market.

RESPONSES TO CHANGES IN URBAN PRIVATE AND WORK LIFE

The digital revolution, environmental urgent needs and today's mobility issues entail and require at the same time a profound change in the way we live and work. City infrastructure developments and building designs and functions interact with this change, sometimes recognising it, sometimes promoting it. In this context, ATENOR's strategy is very specific: as a property developer, ATENOR is a leading stakeholder that perceives and anticipates these changes and, through the development of innovative projects, participates in the adaptation of the urban fabric so that it meets the new private and work life demands and aspirations. ATENOR therefore invests in large-scale real estate property projects meeting very strict criteria concerning the choice of the site ("prime location"), technical quality, the costs of investment and the lease and sale potential.

RESPECT FOR THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

In response to the growing environmental concern and especially sensitive to sustainable development, ATENOR is naturally in favour of the application of new technologies and the use of specific materials in its new real estate projects. However ATENOR advocates 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

By affirming that its place of business is the urban environment, ATENOR intends to showcase its know-how in several cities in terms of what they have in common and especially the need to adapt their urban fabric to changes in private and work life. Furthermore, through its presence in the locations where it invests, ATENOR guarantees the integration of the specificities of each city. Currently ATENOR works primarily in Brussels, Luxembourg, Paris, Budapest and Bucharest, to name but the capital cities.

LARGE SCALE PROJECTS WITH MIXED FUNCTIONS

Responding to the numerous changes in the real estate market, ATENOR takes an interest in the office and residential markets, demonstrating a wide range of skills. The projects currently in its portfolio amount to 18. They represent an approximate area of 800,000 m². In the future ATENOR intends to maintain this diversification of allocations depending on the fundamental developments of the markets.

ATENOR is interested in particular in the major urban planning projects currently being implemented by the Cities and the Regions. To this end, ATENOR 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 is seen as a reliable economic player in the necessary adaptation of the urban structures in the light of economic, demographic and sociological developments.

22.18

million Euro

NET CONSOLIDATED RESULT

149.64

million Euro

EQUITY



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LETTER TO THE SHAREHOLDERS



From left to right:

Stéphan SONNEVILLE s.a.
Chief Executive Officer

Frank DONCK
Chairman of the Board of Directors

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Corporate Governance Statement

Dear Shareholders,

For the fifth consecutive year, ATENOR reports a growth in its results: in 2017 they stood at 22.19 million euro, representing a 8.90% increase compared to 2016. This steady evolution over the past five years reflects the Board of Directors' desire to ensure the growth of the company's ready cash while controlling the general risks inherent in property development and the specific risks associated with each project. But both the analysis of the results of recent years and the current composition of the portfolio under development reflect an international strategic dimension, even more pronounced during 2017.

The sale of three buildings in the VACI GREENS office complex in Budapest and the collection of rent from the fully leased HERMES BUSINESS CAMPUS buildings in Bucharest accounted for nearly 75% of the gross margin generated in 2017. Through our presence in Central Europe since 2008, we have been able to take full advantage of the economic growth recorded in this region, by offering high-performance buildings to prestigious multinationals in the global relocation phase. Given the persistence of this growth, ATENOR has made new acquisitions during the past year: in Budapest, an office building campus project, the ARENA BUSINESS CAMPUS will develop more than 80,000 m² to reinforce ATENOR's current position in this market; in Bucharest, the project portfolio grew by 44,000 m² following the acquisition of the @EXPO office building project, which is ideally located on Expozitiei Avenue in the centre of Bucharest.

The international dimension of ATENOR's activities also materialised in 2017 with an initial investment in the Paris region. The construction of the 34,000 m² BORDS DE SEINE office project located in Bezons will be launched in 2018 in a very buoyant rental market, favoured in particular by the consequences of Brexit.

But in investment terms ATENOR's overriding presence remains in its original markets, Brussels and Luxembourg.

Thus, ATENOR is one of the main operators in the European district in Brussels where the construction of the iconic THE ONE building is underway. CITY DOX, also under construction, a mixed project of more than 110,000 m² in Anderlecht, is at the centre of what is the largest urban development plan in the Brussels region to date. Finally, the recent regulatory evolution of Brussels urban planning will give the VICTOR complex the necessary framework for its inclusion in a comprehensive renewal of the Midi Station district, home to the country's biggest station. In 2017, ATENOR also acquired two new office projects in the Grand Duchy of Luxembourg, in what is a highly dynamic and attractive property market at European level.

At the end of 2017, with its strong presence in 5 countries, ATENOR therefore has a greater diversity in its sources of revenue. In the future, while remaining a key player in these markets, ATENOR intends to continue to expand its business territory at European level by favouring economic growth locations expressing a strong political desire for sustainable urban redevelopment. It is indeed in the «Smart City» approach that ATENOR's vocation, «Acting for cities», is most pertinently expressed.

Diversification is also a watchword in ATENOR's choice of finance sources. In addition to trustworthy banking relationships, ATENOR, with its reputation as a listed company, guarantees an efficient and recurrent presence in the financial markets, in the short term as well as in the medium and long term. After the redemption of the 2012-2017 bond issue of 60 million euro in the second half of the year, new issuances could be envisaged in the spring of 2018 in order to take advantage of possible good market conditions for the financing of portfolio projects or new acquisitions.

In the course of 2017, the debt ratio fell as a result of the liquidity generated by the sale of the buildings in Budapest. Given the launch of the construction of several portfolio projects in 2018, it is likely that ATENOR will record a



Stéphane Sonnevile s.a.
Chief Executive Officer



Frank Donck
Chairman of the Board of Directors

temporary increase in its debt ratio. In this context, the Board of Directors regularly analyses ATENOR's risk exposure, influenced by changes in the level of indebtedness inherent in the property development business.

2017 will also see the end of a long dispute between ATENOR and the general contractors of the President project, in Luxembourg, sold in 2008. No major dispute currently exists on the fringe of its business activities.

The policy of payment of a regular and attractive dividend followed for several years by ATENOR is, this year again, supported on the one hand, by the achievement of results on the rise, and on the other hand, by the growth of the potential of the projects in portfolio.

In this context, the Board of Directors will propose to Shareholders at the General Meeting of 27 April 2018, for FY 2017, a gross dividend of 2.08 euro per share, an increase of 2%.

Following the Annual General Meeting of 27 April 2018, the terms of office of the Prince d'Arenberg, the Baron Bertrand and Mr De Pauw expired. We would like to pay tribute to each of them for their commitment throughout their respective terms of office and to thank them for contributing their collaboration and skills to the success of ATENOR. Their support was invaluable in the various stages of ATENOR's development.

Finally, we would like to remind you that the results recorded and the value created stem from the total and daily commitment of all our employees, who demonstrate their skills and rigour in the development of these projects. We heartily thank them for this.

Stéphane Sonnevile s.a.
Chief Executive Officer

Frank Donck
Chairman of the
Board of Directors

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ATENOR, ACTING FOR SMART CITIES

Cities are experiencing major transformations, all its dimensions are being questioned under the influence of technologies, environmental concerns and societal changes.

Aware of the challenges of the cities of tomorrow, ATENOR systematically uses techniques and materials that meet the highest energy and environmental standards.

With the aim of offering an essential quality of life and

work, ATENOR pays particular attention to the accessibility, flexibility and modularity of spaces and to the quality of life of its future residents and users by offering them more flexible and more open buildings, equipped with wide range of services.



ATENOR, ACTING FOR SUSTAINABLE AND SOCIETAL DEVELOPMENT

In all areas where it is present, ATENOR has succeeded in creating a tradition of dialogue and partnership with all stakeholders involved in its real estate development projects: political authorities, environmental, economic, social and cultural players.

Based on its values and social responsibility, ATENOR supports economic development, entrepreneurship and innovation in the places where the company develops its projects.



ATENOR PROMOTES ACCESSIBILITY AND ENVIRONMENT-FRIENDLY MOBILITY

ATENOR demonstrates its commitment to a global ecological approach by supporting initiatives such as Okazoom, the first solidarity-based auction platform in Belgium. ATENOR has chosen the association AMT Concept which proposes concrete actions to develop accessibility and soft mobility, to auction an electric bicycle, an Iwalk and an electric scooter.

ATENOR SUPPORTS CULTURAL DEVELOPMENT

Acting for the city is also acting for its cultural development. ATENOR supports the PARADIGM(e) exhibition, centred on the garage Citroën, emblematic place of Brussels and future MOMA.



ATENOR STIMULATES ENTREPRENEURSHIP

The development of a city also has to do with entrepreneurship. That is why ATENOR supports the Buzzynest initiative by making 2,500m² available to the business incubator within its building Le Nysdam in La Hulpe.



△ It is also about beautifying the urban landscape: through the fresco 'THE FUTURE IS EUROPE', a citizen and European Initiative, ATENOR reaffirms its interest in the European neighbourhood and its commitment to the construction of Europe, with Brussels as its capital.

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2017, HOW IT UNFOLDED...

18
PROJECTS

800,000 m²

“ Our work is the presentation of our capabilities – Edward Gibbon



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Brussels, Realex

FEBRUARY

- **Commercial success in Budapest**
The VACI GREENS A building is sold to a private group of Hungarian investors. The building also welcomes reputed tenants like General Electric, Sykes, Enterprise, BNP Paribas Real Estate and Budapest Bank.



Budapest, Vaci Greens



Bucharest, Hermes Business Campus

JANUARY

- ATENOR continues to renovate the district of LA SUCRERIE in Ath. Construction starts on the «new» block B (35 apartments).
- Reputed new tenant for HERMES BUSINESS CAMPUS – Bucharest. The campus welcomes Genpact, world leader in the Business Process Operations sector.

MARCH

- ATENOR confirms its foothold in the European quarter. The REALEX project is extended with the acquisition of the VDAB building and its immediate neighbour, both located on the Rue de la Loi.
- Commercial success in Ath. Block C3 is completely sold.
- Budapest: the success story continues. Sale of the 3rd building (VACI GREENS B), to the Hungarian property fund OTP Prime Ingatlanbefektetési Alap.



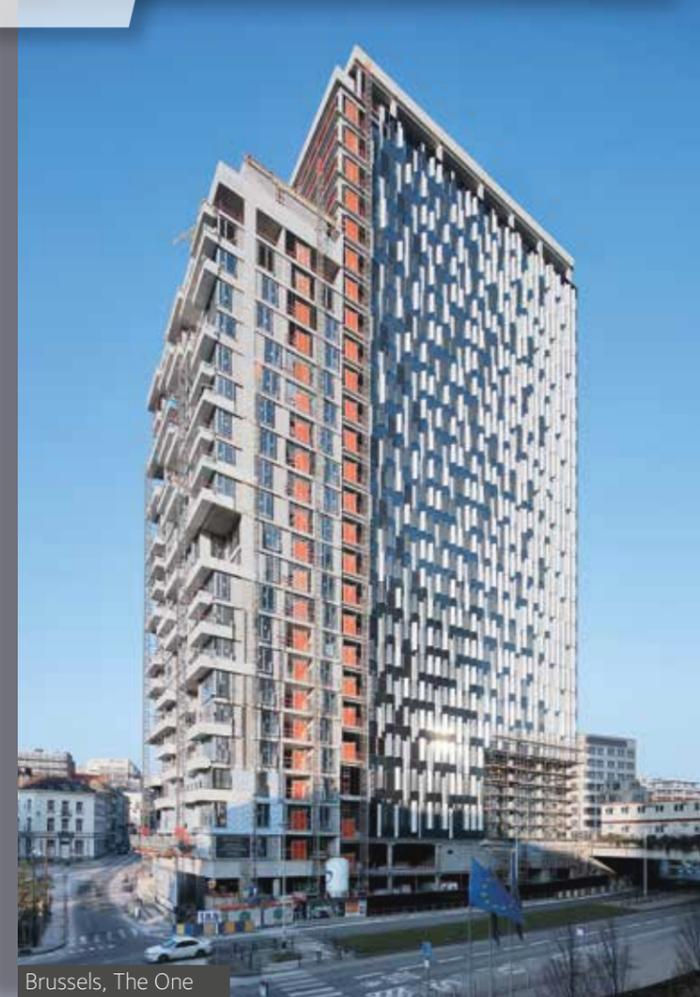
Ath, La Sucrierie



Belval, Naos

MAY

- ATENOR is the first developer to propose a mixed tower combining offices, apartments and shops in the heart of the European quarter. THE ONE: marketing launch of the apartments.
- The NAOS project starts. The building permit is issued, works start.



Brussels, The One

APRIL

- ATENOR enhances historical heritage in Bucharest. Application for the restoration permit for the classified mansion called «Maison Cesianu», which housed the former German legation.



Bucharest, Dacia 1

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Brussels, City Dox



Budapest, Arena Business Campus

AUGUST

— New office campus in Budapest: **ARENA BUSINESS CAMPUS**. ATENOR acquires a site of 19,000 m² along the Hungaria boulevard for the construction of 4 office buildings with retail spaces (85,500 m²).

JULY

- ATENOR demonstrates its commitment to Europe with **Brussels as capital**. ATENOR is behind a huge Rue de la Loi fresco «The Future is Europe», a citizens' initiative welcomed by the European Commission.
- ATENOR continues its development in **Belval**. ATENOR wins the architectural competition started by AGORA for the development of the TWIST project, right next to the NAOS project.
- ATENOR continues its internationalisation and launches its first project in the Paris Region, in **Bezons: BORDS DE SEINE**. Acquisition of a 7,000 m² site on the edge of the Seine for the construction of an office building (32,700 m² above ground).

SEPTEMBER

- ATENOR, smart cities stakeholder, increases the attractiveness of the **NYSDAM**. The NYSDAM OFFICE PARK offers new services such as fitness room, charging terminals and parking spaces for electric vehicles.
- ATENOR completes the renovation of the **PORT DU BON DIEU** district in Namur. The office building is delivered to CBC Bank.
- **VACI GREENS** continues to attract reputed groups. The office campus welcomes new prestigious tenants such as Accenture and General Electric Water.

OCTOBER

- ATENOR confirms its foothold in Bucharest by launching a 3rd project there: **@EXPO**. Acquisition of a 11,600 m² site in the business quarter of the Romexpo exhibition centre for the development of an office complex (44,000 m² in 3 phases).
- ATENOR continues the development of the **AU FIL DES GRANDS PRES** project in Mons. The planning permit is obtained for buildings G and H.



Mons, Au Fil des Grands Prés

NOVEMBER

- The Moneytrans company confirms its occupation in the office part of the **PALATIUM**. Signature of the provisional acceptance.
- ATENOR extends its presence in Luxembourg and launches a new project in Leudelange: **BUZZCITY**. Acquisition of a site in the «Am Bann» development zone for the construction of an office complex (16,000 m²).
- ATENOR enhances the **BORDS DE SEINE** in Bezons. Submission of a new building permit application (33,800 m² of offices).
- ATENOR gathers the fruits of its development strategy in Budapest – 4th commercial success for **VACI GREENS**. The 4th building (building D) is sold in future state of completion to a private Hungarian fund.

DECEMBER

- **THE ONE**, a building that lives up to Europe's capital. Completion of the structural works: a new 97-metre tower now rises in the European quarter.
- In the Toison d'Or district, ATENOR marks the success of the transformation of the old office buildings into luxury apartments. End of the **PALATIUM** works and provisional acceptances of the apartments in the Place Jean Jacobs.
- The renovation of the Canal district in Anderlecht takes on a whole new dimension. The PPAS (Local Land Use Plan) is approved for a total surface area of 47 ha including **CITY DOX**. It confirms the political will to revitalise the entire canal area.
- The repositioning of the **NYSDAM** on the office market is a success. The Nysdam Office Park is 90% leased.

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ADMINISTRATION



From left to right

Sidney D. BENS Chief Financial Officer

William LERINCKX (for Probatimmo bvba), Executive Officer

Stéphan SONNEVILLE (for Stéphan Sonneville s.a.),
Chief Executive Officer

Laurent COLLIER (for Strat UP sprl), Executive Officer

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COMPOSITION OF THE EXECUTIVE COMMITTEE

Stéphan Sonnevile

for Stéphan Sonnevile s.a.
 Managing Director, CEO 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

COMPOSITION OF THE BOARD OF DIRECTORS (AT THE END OF THE ORDINARY GENERAL MEETING OF 27 APRIL 2018)

Mr Frank Donck

Chairman ⁽²⁾
 Expiration of term: 2021

Stéphan Sonnevile s.a.

Managing Director ⁽¹⁾
 represented by Mr Stéphan Sonnevile
 Expiration of term: 2019

Mr Christian Delaire

Director ⁽³⁾
 Expiration of term: 2021

Investea sprl

Director ⁽³⁾
 represented by Mrs Emmanuèle Attout
 Expiration of term: 2021

MG Praxis sprl

Director ⁽³⁾
 represented by Mrs Michèle Grégoire
 Expiration of term: 2021

Luxempart s.a.

Director ⁽²⁾
 represented by Mr Jacquot Schwertzer
 Expiration of term: 2019

Sogestra sprl

Director ⁽³⁾
 represented by Mrs Nadine Lemaitre
 Expiration of term: 2020

Mr Philippe Vastapane

Director ⁽²⁾
 Expiration of term: 2021

⁽¹⁾ Executive / ⁽²⁾ Non-executive / ⁽³⁾ Independent

MAIN FUNCTIONS EXERCISED BY THE NON-EXECUTIVE DIRECTORS

Mrs Emmanuèle Attout for Investea sprl

Director of ThromboGenics n.v.
 Director of Schröder s.a.
 Director of Women on Board asbl &
 Toutes à l'Ecole Belgique asbl

Mr Christian Delaire

Senior Advisor of Foncière Atland
 Director of Cromwell European REIT

Mr Frank Donck

Managing Director of 3D s.a.

Mrs Michèle Grégoire for MG Praxis sprl

Lawyer at the Court of Cassation,
 Professor and Chairwoman of the Center of Private Law at
 the "Université Libre de Bruxelles"

Mrs Nadine Lemaitre for Sogestra sprl

Chairwoman of the Board of Directors of Erasmus Hospital
 Director of Orange Belgium s.a.
 Director of the ULB Foundation
 Director of Solvay Executive Education asbl

Mr Jacquot Schwertzer for Luxempart s.a.

Managing Director (CEO),
 Executive Director and Member of the Management
 Committee of Luxempart s.a.

Mr Philippe Vastapane

Chairman of the Board of Alva s.a.

AUDIT COMMITTEE COMPOSITION

Mr Christian Delaire

Member

Mr Frank Donck

Member

Investea sprl

represented by Mrs Emmanuèle Attout,
 Chairwoman

Mr Philippe Vastapane

Member

DSD Associates Audit & Advies bvba

represented by Mr David De Schacht
 Internal Auditor

APPOINTMENTS AND REMUNERATION COMMITTEE COMPOSITION

Sogestra sprl

represented by Mrs Nadine Lemaitre,
 Chairman

MG Praxis sprl

represented by Mrs Michèle Grégoire,
 Member

Luxempart s.a.

represented par Mr Jacquot Schwertzer,
 Member

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INFORMATION TO SHAREHOLDERS AND INVESTORS



€ 2.08
GROSS DIVIDEND



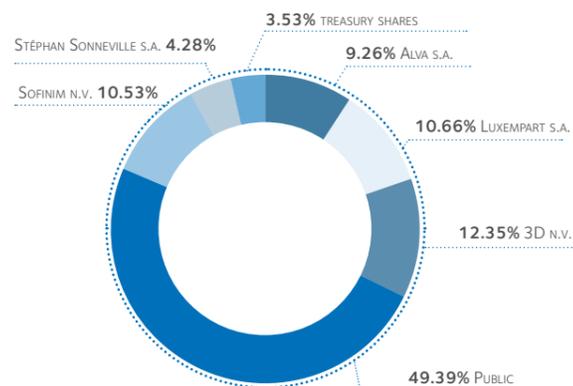
€ 1.456
NET DIVIDEND



5,631,076
SHARES

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STRUCTURE OF SHAREHOLDERS ON 31.12.2017



MAJOR SHAREHOLDERS

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

- SOFINIM n.v.
- 3D n.v.
- LUXEMPART s.a.
- ALVA s.a.
- Stéphan SONNEVILLE s.a.

STRUCTURE OF SHAREHOLDERS ON 31.12.2017

The structure of shareholding is as follows:

	NUMBER OF SHARES	HOLDINGS %	OF WHICH SHARES FORMING PART OF THE JOINED SHAREHOLDING*	HOLDINGS %
ALVA s.a. ⁽¹⁾	521,437	9.26	437,500	7.77
LUXEMPART s.a. ⁽¹⁾	600,247	10.66	437,500	7.77
3D n.v. ⁽¹⁾	695,643	12.35	437,500	7.77
SOFINIM n.v. ⁽¹⁾	592,880	10.53	437,500	7.77
Stéphan Sonneville s.a. ⁽¹⁾⁽²⁾	241,030	4.28	150,500	2.67
Sub-total	2,651,237	47.08	1,900,500	33.75
Treasury shares	198,622	3.53	198,622	3.53
Public	2,781,217	49.39	3,531,954	62.72
Total	5,631,076	100.00	5,631,076	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.

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 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 the shareholders is expressed concretely by mutual commitments in a shareholders' agreement signed in November 2006, thus guaranteeing the Group's durability and development. This was updated and extended in November 2016 for a 5-year period, tacitly renewable for two successive 5-year periods. It accounts for 33.75% of ATENOR's capital bringing the float up to 62,72%*.

FORM AND CONVERTIBILITY OF THE SHARE

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 dematerialized shares as of 1 January 2008.

The ATENOR 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.

SHARE ON STOCK EXCHANGE

Market	On a continuous basis
Stock Exchange	Euronext Brussels
ATENOR share	ISIN BE 0003837540 Compartment B
Total number of shares granting a voting right	5,631,076
Total number of voting rights (denominator)	5,631,076
List price of the share on 31 December 2017	€ 47.00

EVOLUTION OF THE PRICE AND LIQUIDITY OF THE SECURITY – LIST PRICE FROM 2013 TO 2017

Number of shares on 31 December 2017: 5,631,076

	2013	2014	2015	2016	2017
Maximum price (€)	35.00	41.16	49.85	47.00	50.50
Minimum price (€)	30.11	34.19	39.20	40.57	44.65
Price on 31 December (€)	34.25	40.00	47.00	45.51	47.00
Average daily volume traded	1,700	2,046	2,907	2,483	1,840
Market capitalization on 31 December (in millions of €)	179.88	218.29	264.66	256.27	264.63

STIMULATION CONTRACT AND LIQUIDITY FUND FOR THE ATENOR SHARE

ATENOR has continued a market stimulation arrangement or "liquidity provider" function with the Degroof-Petercam Bank, officially recognised by Euronext.

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

In December 2017, ATENOR signed a new liquidity contract with the company Kepler Cheuvreux. This has been active since 16 March 2018 and serves for the trading of ATENOR securities quoted on Euronext Brussels.

The resources assigned for the performance of this contract assigned to Kepler Cheuvreux entail the provision of 150,000 euro and 2,000 ATENOR securities.

DIVIDEND

The gross dividend proposed to the General Assembly of 27 April 2018 will amount to 2.08 euros representing a net dividend of 1.456 euro per share after withholding tax (30%).

Subject to the approval of the Ordinary General Assembly, the dividend will be paid out as from 3 May 2018.

The financial service of ATENOR is provided by Euroclear Belgium (Boulevard du Roi Albert II, 1 at 1210 Brussels).

The payment to the registered shareholders will be made by bank transfer as from 3 May 2018.

PRACTICAL METHODS CONCERNING THE PAYMENT OF THE DIVIDEND *

30 April 2018	Ex date
2 May 2018	Record date
3 May 2018	Payment date

* Subject to the approval of the Ordinary General Assembly

SHAREHOLDER SCHEDULE

27 April 2018	Annual General Meeting 2017
3 May 2018	Dividend Payment (subject to the approval of the GM)
17 May 2018	Intermediate declaration for first quarter 2018
30 August 2018	Half-year results 2018
15 November 2018	Intermediate declaration for third quarter 2018
11 March 2019	Annual results 2018
26 April 2019	Annual General Meeting 2018

ATEB
 LISTED
 EURONEXT

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REPORT OF ACTIVITIES & PROJECTS



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THE ONE, BRUSSELS EUROPA

Brussels
BELGIUM



BUS STOP 50 M AWAY



METRO 50 M AWAY



BRUSSELS-SCHUMAN STATION
100 M AWAY



PARC DU CINQUANTAIRE
600 M AWAY



PARC ROYAL
800 M AWAY

In 2005, ATENOR purchased the company that owns the «Crowne Plaza Brussels Europa» hotel in the Rue de la Loi, at the heart of the European District. Next, ATENOR purchased the land and the building next to the hotel (the old Belgacom telephone exchange) in order to increase the penetration of the planned project.

By combining the different plots ideally located at the corner of the Rue de la Loi, the Chaussée d'Etterbeek and the Rue de Lalaing, ATENOR planned to build a big mixed property complex.

Assigned to the French architectural and planning firm "Atelier Christian de Portzamparc", the urban vision of the perimeter of the Rue de la Loi rests on two basic principles: promoting Brussels' international visibility, through luxury offices, while giving the European District an attractive, human look.

The architects firm B2Ai proposed the groundbreaking, unique concept of a tower with a horizontal mix, composed of apartments, offices and shops.

The 22-floor tower offers 29,511 m² of offices facing the Rue de la Loi. The rear of the project is devoted to the residential part and proposes 97 apartments facing onto the South side. Most apartments have a terrace or a balcony, offering outstanding view on the Capital of Europe.

The ground floor of the Chaussée d'Etterbeek offers 560 m² of shops, creating a lively and friendly neighbourhood.

ATENOR has taken particular care with the project's energy orientation and adherence to standards and

has implemented its own voluntary commitment in terms of sustainable development.

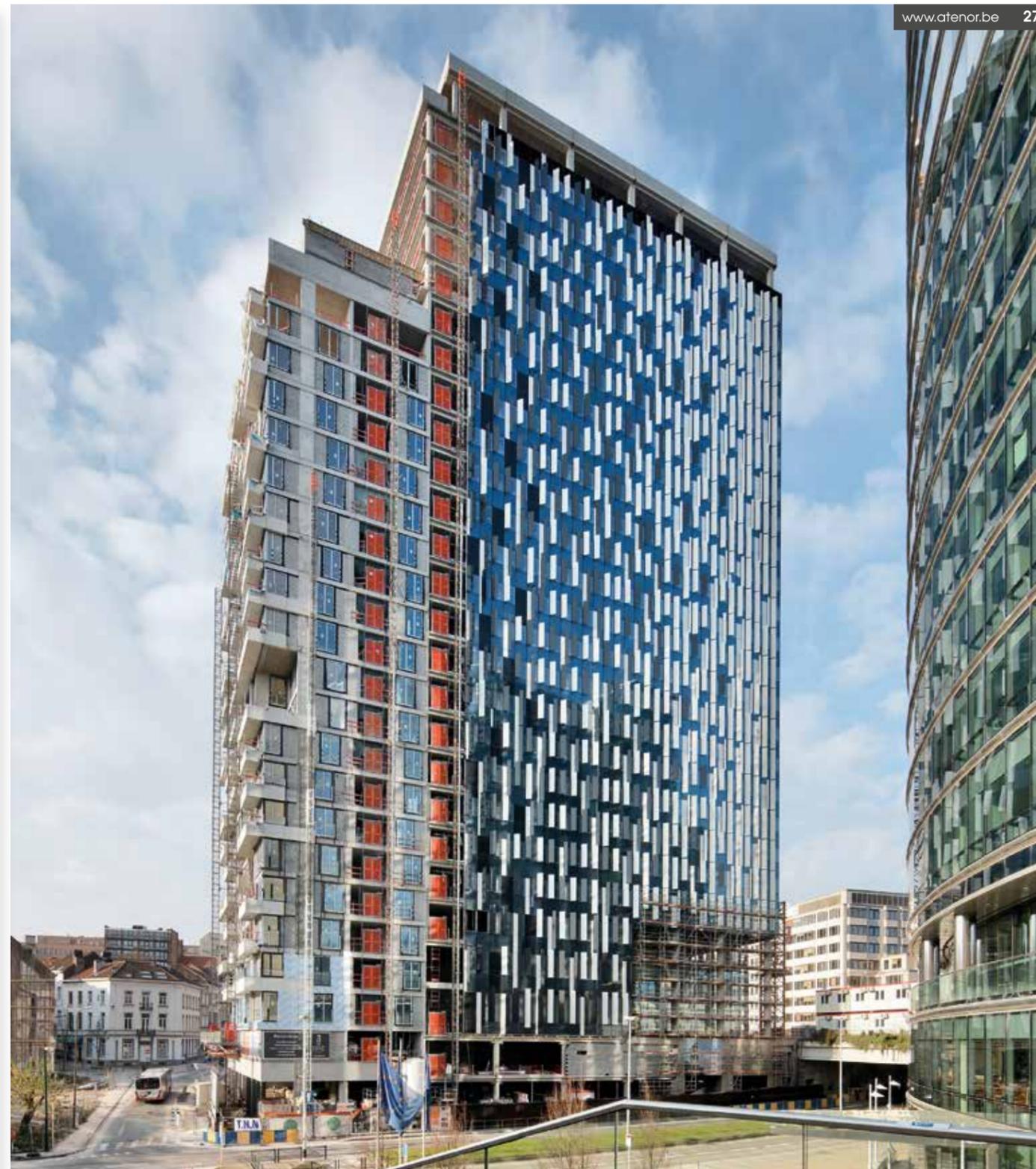
After obtaining the planning permit in November 2014, the hotel's asbestos removal and building demolition works could start. Thus, building work on the tower started in August 2015. The shell is now finished and works are continuing according to schedule for a provisional acceptance by the end of 2018.

The commercialisation of the apartments, begun in 2016, has been supported since mid-October 2017 by a model apartment, enabling purchasers to get a good look at what they are investing in.

In October 2017, the office part of the project, boasting its geographical location and modular spaces, was presented by the Deputy Prime Minister, Didier Reynders, to champion the Belgian candidature and become the new headquarters of the EMA (European Medicine Agency). In the end, the agency will relocate to Amsterdam.

By the end of 2017, 61 of the 97 apartments under construction had been sold or reserved. The 2 shops were sold in December 2016.

Location	Rue de la Loi and chaussée d'Etterbeek, Brussels-Capital Region, Belgium
Project	Mixed retail (560 m ²), housing (97 apartments; 9,250 m ²) and offices (29,500 m ²)
Owner	The One Office s.a and The One Estate s.a. (100% Atenor)
Architects	B2Ai
Start of works	August 2015
End of works	4 th quarter 2018



Esplanade of the European Parliament



Luxembourg station

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REALEX

In October 2016, ATENOR entered into a joint venture in which it held 90% along with another company with specific experience in the REALEX project.

In July 2016, ATENOR started exclusive negotiations with Europa Real Estate III Sarl (a 100% subsidiary of Europa Fund III managed by Europa Capital LLP) in order to enter into a joint venture through the company indirectly holding the real rights over the "REALEX" project.

At the end of the due diligence, ATENOR acquired, in October 2016, 90% of LUXLEX sarl, which through the companies LEASELEX and FREELEX (holding the financial lease and the land lease respectively), holds the REALEX project. The other 10 percent are in the hands of a company with specific experience in the project.

REALEX is located in Brussels, in the heart of the European Commission quarter, between the Rue de La Loi and the Rue de Lalaing, next to another ATENOR project: THE ONE.

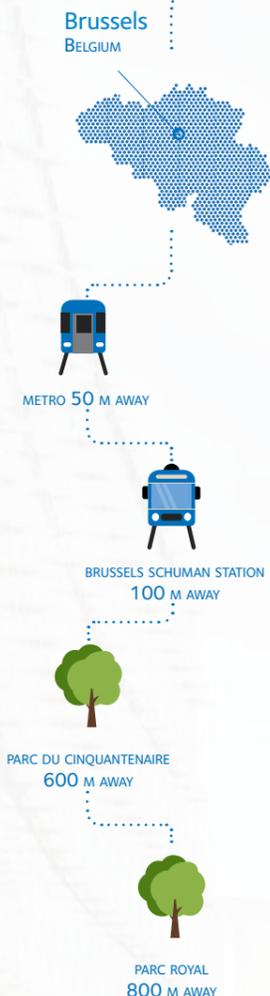
REALEX is developed on a ground area or approximately 5,200 m² and has the permits for the construction of an office building rising to 114 metres and housing 44,700 m² above ground. In the basement it will house technical rooms, filing rooms and 220 parking spaces.

In March 2017, ATENOR proceeded, through its subsidiary IMMO SILEX, to purchase the VDAB building and the adjoining one, both located in Rue de la Loi, extending the REALEX project. These new acquisitions of a ground surface area of 1,618 m² will serve both to extend the REALEX project and to develop a new project of around 10,000 m².

Despite the existing permit, ATENOR has decided to postpone the launch of the project following the call for projects from the European Institutions for the construction of a conference centre. To-date, ATENOR is candidate for the housing of this centre.

A new quality public area will be developed between the THE ONE tower and the future REALEX tower.

This new investment perfectly fits ATENOR's strategy which seeks to promote large-size complexes of top architectural and environmental quality in urban districts well served by public transport.



Location	Rue de la Loi 99-105, Brussels Capital Region, Belgium
Project	Mixed offices (44,300 m ²) and retail (400 m ²)
Owners	Freelex sprl, Leaselex sprl and Immo Silex s.a. (90% Atenor and 10% Kingslex sarl)
Floor area	54,200 m ² above ground
Architects	Assar Architects



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PALATIUM

Brussels
BELGIUM



LOUISE METRO STATION
400 M AWAY



PLACE DU SABLON
500 M AWAY



PARC D'EGMONT
1,5 KM AWAY



BRUSSELS CENTRAL STATION
1,5 KM AWAY

PALATIUM consists of the renovation of the old INASTI (Institut National d'Assurances Sociales pour Travailleurs Indépendants) headquarters, mainly devoted to housing and composed of two buildings located in the Place Jean Jacobs and Boulevard de Waterloo respectively, very near to Brussels Law Courts.

The building has undergone a major renovation in order to develop on the one hand a residential building, the "Jacobs", and on the other a mixed office and residential building, the "Waterloo".

The two 9-floor buildings provide all together 152 studios and apartments and 1,000 m² of offices on the ground floor of the Waterloo.

With the environmental and planning permits issued in 2015, the asbestos removal, clearance, demolition, shell and finishing works began in earnest. The provisional acceptances for the common areas were granted at the end of 2017 and more than three-quarters of the apartments had been delivered by 31 December 2017.

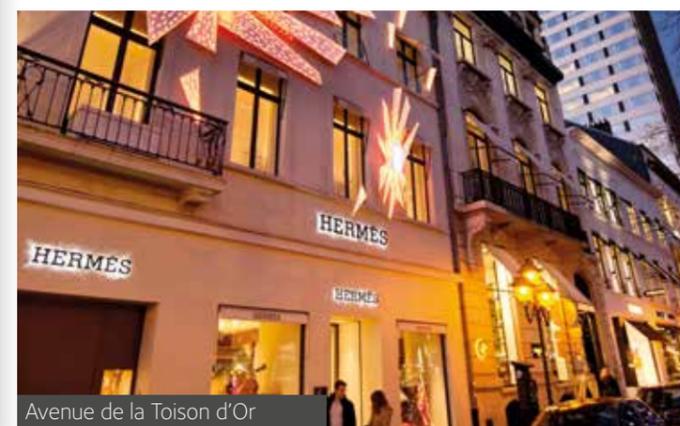
PALATIUM is exceptionally well located between the Louise District and the Bruegel-Marolles District and a stone's throw from the Sablon District.

Thanks to its situation, this superb project conceived by the architects firm DDS & Partners, has all the charm of Brussels within reach: avenue Louise, a string of cultural centres, Place du Sablon, Place du Jeu de Balle, Parc d'Egmont. All these attractions are located a few minutes' walk away. For those who

want to go further afield, there is a string of public transport options, with 3 big stations close to the site (Central, Luxembourg and Midi), as well as the Louise underground station and a number of tram and bus lines.

The commercialisation successfully began in March 2016. The 4 model apartments presented well served to attract purchasers, as by the end of 2017, only 4 apartments out of the 152 were still available for sale.

Location	Boulevard de Waterloo / place Jean Jacobs, Quartier des Arts, Brussels, Belgium
Project	Mixed building, mainly residential with some office
Owners	INASTI / Atenor s.a.
Size	14,000 m ²
Architect	DDS & Partners
Start of works	February 2016
End of works	December 2017



Avenue de la Toison d'Or



Parc d'Egmont

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CITY DOX

Brussels
BELGIUM



BUS STOP 10 M AWAY



BRUSSELS SOUTH STATION
1,2 KM AWAY



METRO STATION 1,1 KM AWAY



E19 MOTORWAY / RING ROAD
4 KM AWAY

In 2011, ATENOR acquired the company “Immobilière de la Petite Ile”, owner of former industrial buildings on a plot (± 5.40 ha) located in Anderlecht, along the Brussels-Charleroi Canal.

On this vast plot, ATENOR and its architects and urban planners from Art&Build and JNC International envisaged an urban reconversion project with multiple functions: apartments, school, nursery, workshops, integrated business services, rest home, service residence, shops, cafés and restaurants.

The objective: the creation of a resolutely future-oriented district offering an ideal quality of life, along the canal, at the gateway to the city. The contemporary architecture buildings open onto a vast central green space, a place to meet and relax for all generations of residents.

Sustainable and eco-friendly, City Dox prioritises innovative energy and waste management solutions. Soft mobility will be encouraged with secure bicycle docks; charging terminals for electric cars will also be installed.

Ideally located at the entrance to the city, near to Brussels ring road and 5 minutes away from Brussels South railway station, with bus and tram stops on the edge of the district, City Dox is directly connected to the heart of Brussels.

The planning and environment permits for the first phase of the project (39,500 m²), drawn up by the firms Etau Architects and Architectes Associés sprl, were granted in August 2015. They concern the building of a 180-bed rest home, a service residence of 71 apartments, a residential building with 93 apartments, a building for integrated business services (8,619 m²) and retail (385 m²).

Construction works of this first phase started in June 2016 for a delivery scheduled for mid-2018.

We remind you that in 2015, Senior Island s.a. (100% subsidiary of ATENOR) and the company Home Sebrechts n.v. (subsidiary of Armonea, the biggest independent care for the elderly provider in Belgium) signed an agreement concerning the commercial use of the rest and care home.

At the same time, an agreement was signed between ATENOR and a Belgian institutional investor for the transfer of the company Senior Island s.a.

On this same date, a cooperation agreement was signed between Rest Island s.a. (100% subsidiary of ATENOR), developer of the outstanding part of the first phase, and Home Sebrechts n.v. for the provision of services to the 71 assisted flats of the service residence linked to the rest and care home. These apartments, real peace havens for the elderly and also adapted to persons of reduced mobility, offer fully-equipped, secure spaces and access to common areas such as games room, library, restaurant, common garden, ...

The subdivision permit application concerning phase 2 of the project (105,000 m²), basically of a residential nature and submitted in May 2016 is still in the inquiry phase. We note that this phase includes the development contract launched by Citydev.Brussels and won by ATENOR. It concerns the building of 16,393 m² of apartments, 12,471 m² assigned to subsidised housing.

Location	On the edge of the Canal de Willebroek (Batelage/ Biestebroek basin), block between the boulevard Industriel, rue de la Petite Île, the rue du Développement and the Digue du Canal, Anderlecht, Belgium
Project	Mixed urban (facilities, residential, integrated services to business, retail)
Owners	Immobilière de la Petite Île s.a. (100% Atenor), Senior Island s.a. (100% Atenor), Rest Island s.a. (100% ATENOR)
Size	around 150,000 m ²
Architects	Architectes Associés sprl – Etau Architects



Brussels South Station



Along the Canal

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VICTOR



Located opposite the Brussels-South railway station, on the edge of the Place Horta, the VICTOR project fits into the “living station” concept and is integrated at the heart of a changing district, which has been undergoing a profound evolution over the last few years, in line with the will of the regional authorities.

The Midi district master plan came into regulatory effect based on the provisions set out in the new CoBAT passed on 13 October 2017 by the Brussels Parliament. The P.A.D. (The Master Plan’s Development Plan), instrument implementing the Master Plan, is expected mid-2019.

Upon suggestion of the issuing authority, ATENOR will study during 2018 the launch of an architecture competition including the latest parameters set out in the master plan.

Following this competition and in parallel to the PAD planning inquiry, planning and environment permit applications will be submitted as soon as possible in order to execute the VICTOR project, as indicated in the Government’s programme.

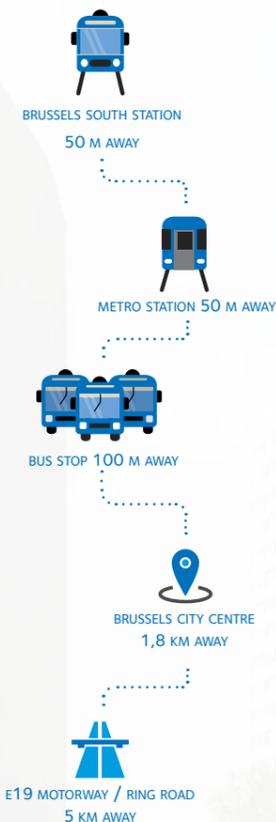
In collaboration with the winning architect, the VICTOR project will be completely redrawn to fit into the “living station” concept. In addition to offices and retail shops, VICTOR will be completed by a residential tower. The offices/residential mix combination will enliven and revitalize the district.

Given its size and its architectural qualities, the complex should constitute a new urban beacon in the heart of the city.

In the end, VICTOR should offer three towers, structured around an esplanade facing Brussels South railway station. This esplanade will be

incorporated into a vast pedestrian precinct that will extend from the Rue de France to the Boulevard du Midi, passing through the Place Victor Horta and the Esplanade de l’Europe.

The old structures present on the site were entirely demolished and the clean-up works, started in September 2015, were completed in October 2016 now awaiting the start of construction work.



Location	Rue Blérot - Place Victor Horta (facing the South Station) - Brussels-Capital Region, Belgium
Project	Mixed complex of offices, retail spaces and residences
Owners	Victor Estates s.a., Immoange s.a., Victor Bara s.a. and Victor Spaak s.a.
Size	67,000 m ² of offices & services / 37,500 m ² of homes / 5,200 m ² of shops & facilities / 450 parking spaces
Architects	Jaspers - Eyers Architects
Co-shareholder	BPI (50%)

LES BERGES DE L'ARGENTINE



In January 2015, ATENOR acquired the former Swift site spread over nearly 4 ha and consisting of 8 buildings (16,653 m²) and 338 external parking spaces. The neighbouring plot formerly used as a garage was then acquired to be integrated in the project.

The complex, located at the heart of the magnificent little town of La Hulpe will be redeveloped harmoniously in order to create a residential and services project nestled at the heart of a magnificent park in harmony with the local environment.

The site is ideally situated at the gateway to Walloon Brabant, 20 minutes from Brussels. It offers a green living environment, combining urban assets and shops, services, nurseries, schools and Louvain-la-Neuve University nearby. La Hulpe railway station is just a few hundred metres away.

The project will be executed in two phases. Phase one involves the renovation of the industrial and historic building dating from the second half of the 18th century, situated at the edge of Rue François Dubois. It envisages the execution of 4,050 m² of offices, 4 homes and an underground car park. It will offer

flexible work spaces open to the outside, providing users with a stimulating working environment.

The single permit application submitted in May 2016 was obtained in January 2017. The works, which started in September 2017, should be completed by November 2018.

Phase two, still being studied, should involve the building of residential units of a total surface area of 20,000 m² inside the park.

Following the municipal council’s decision to put the PCAR (Revised Municipal Development Plan) procedure on hold, discussions with the competent authorities were held in order to define guidelines for the continuation of the programme, the aim being to submit a permit application for this second residential phase as soon as possible.



Location	Rue François Dubois 2, La Hulpe, Belgium
Project	Mixed office and residential project
Owner	Atenor s.a.
Size	approximately 24,000 m ²
Architect	MDW Architecture

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LA HULPE
BELGIUM

LE NYSDAM

In 1997, ATENOR, through the company HEXATEN, developed a luxury Business Park on the exceptional site of the Domaine du Nysdam in La Hulpe.

Located in La Hulpe, right on the outskirts of the capital, the park has the dual advantage of functional proximity to the city and a refreshing country environment.

The building nestled in the heart of a sumptuous green environment located not far from the Château de La Hulpe and the Solvay estate is nevertheless close to the city centre, 5 minutes from the station, and not far from the ring road and the E411 motorway.

Completed in 2001, the two buildings of 6 and 7 floors overlook a common ground floor and provide more than 15,600 m² of offices.

In September 2006, ATENOR transferred HEXATEN, the building's owner, to a real-estate fund managed by Axa Real Estate Investment Manager.

In October 2015, 9 years later, ATENOR did the reverse with the acquisition from BNP Paribas Fortis of all HEXATEN's shares.

Initially, ATENOR repositioned the building on the office market. This is currently 90% leased. Conversations are in progress for the lease of the remaining floor areas.



ATENOR has an ear open to its tenants. Therefore, in December 2017, it set up a concierge service in the building offering the occupants laundry, car-wash and even organic basket delivery services. A fitness room was also provided. To encourage soft mobility and respect for the environment, the building also offers secure bicycle docks and charging terminals for electric vehicles.

Building upon its values and its corporate responsibility, in 2016, ATENOR embraced and supported the BUZZY NEST initiative, and offered a space of 2,500m² in the Nysdam site. BUZZY NEST defines itself as a project accelerator. It provides its financial aid and advice to young start-ups. The co-working space is basically dedicated to companies active in the digital sector.

In the long term, in cooperation with the local authorities, ATENOR is examining alternatives for the site's redevelopment.



Location	Avenue Reine Astrid, La Hulpe, Belgium
Project	Office complex
Owner	Hexaten s.a. (100% Atenor)
Size	15,600 m ² of offices and 408 parking spaces

NAMUR
BELGIUM

PORT DU BON DIEU LOT 2 - CBC

In November 2014, ATENOR acquired from the SPGE (Public Water Management Company) a plot of 50 ares next to the PORT DU BON DIEU residential project in Namur.

In December 2014, ATENOR resold this plot to the CBC bank in order to build an office building and 113 parking spaces; this building is destined to house the future headquarters of the bank, which has strategically chosen to centralise its business in the heart of the Capital of Wallonia.

The project was assigned to the architects firms Montois Partners Architects and l'Atelier de l'Arbre d'Or who proposed the building of a complex with pure forms and lines using light materials to confer brightness and sobriety.

In October 2015, CBC entrusted CPPM with the execution of the constructions authorised in the framework of a development contract.

Following clean-up works, the construction works started at the beginning of 2016, enabling CBC to hold the laying of foundation stone ceremony in April 2016.

The carcass work was finished at the end of 2016. The works continued as per the schedule. The provisional acceptance was granted by CPPM and the purchaser on 4 September 2017. On today's date, CBC has a few months to execute its interior development works in order to accommodate its first employees in early March 2018. The inauguration of this new building is planned for 17 April 2018.

Particular attention should be given to the building's energy performance, which aims for a very low level of energy consumption thanks to use of devices like photovoltaic panels, LED lighting, presence detectors in the offices, external solar protections, etc.

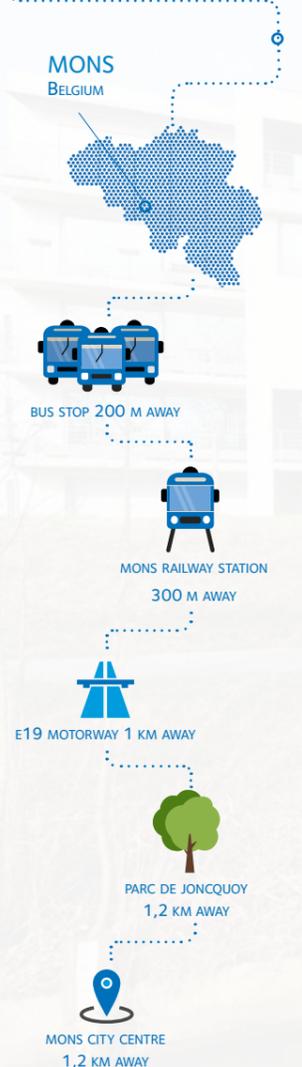
With this project, ATENOR has continued to redevelop the banks of the Meuse and thus revitalise one of the decayed hubs of the semi-industrial past, turning it into a mixed district offering homes, offices, local shops and quality public spaces.

The execution of CBC's headquarters perfectly complements this district, which allies functional mix with prestige, mobility and architectural quality.



Location	Area called "Port du Bon Dieu", Namur, Belgium
Project	Construction of an office complex
Owner	CBC
Size	7,600 m ²
Architects	Montois Partners Architects & l'Atelier de l'Arbre d'Or
Start of works	January 2016
End of works	September 2017

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AU FIL DES GRANDS PRÉS

In August 2012, ATENOR signed an agreement for the acquisition, in Mons, of two sets of plots totalling 7.2 ha in order to develop a sustainable residential, office and local shops complex

The project AU FIL DES GRANDS PRÉS is strategically located in a district undergoing major changes, in the immediate vicinity of the recently extended “Les Grands Prés” shopping mall, the “Imagix” cinema complex, the “Mons Expo” exhibition centre, the Ikea, the new congress centre designed by the reputed architect Daniel Libeskind and of course the station under construction designed by the architect Santiago Calatrava. This new station will serve as a transfer point, providing the link between this new district and the historic centre of Mons.

ATENOR called on the architects’ studios “DDS-Partners” and “H&V Architecture” and planning firm “JNC International” to come up with a mainly residential project including a few shops and offices.

The project is resolutely oriented towards sustainable design. Particular attention is granted to the design of the buildings to meet strict comfort and energy saving criteria. Indeed, heat production (heating and domestic hot water) is centralised and provided by gas condensation boilers.

The construction of the first building started in February 2015 for a provisional delivery granted in late 2016. The delivery of the three other buildings was spread between the start and end of 2017, the last block was delivered in February 2018.

In December 2014, a second permit was delivered for the second phase concerning the construction of 2 additional buildings (A and B), i.e. 68 apartments. The construction of the first building started in

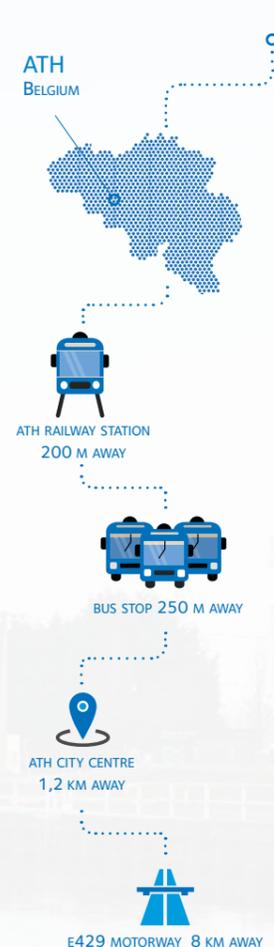
December 2016 with completion scheduled for the end of 2018. In late 2017, the 68 apartments found a purchaser.

The planning permit for the construction of buildings G and H was issued in October 2017. The building works should spread between January 2018 and June 2020. The commercialisation of these new buildings has been highly successful, over half being sold by the end of 2017.

Furthermore, the planning permit application covering the project other plots (phase 2) and connecting the shopping mall to the new station is under inquiry. In the long term it will ensure that the project continues in harmony with the new district as a whole, with the building of several hundred homes, shops and offices. Once it is obtained, an initial planning permit will be submitted for the offices.



Location	Site of the Grands Prés, in the district of the future “Calatrava” railway station in Mons, Belgium
Project	Residential, including apartments, retail spaces, and offices
Owner	Mons Properties s.a. (100% Atenor)
Architects	Holoffe & Vermeersch / DDS & Partners
Urban Planning Firm	JNC International
Start of works	February 2015
End of works	June 2020 (zone 2)



LA SUCRERIE

In 2012, ATENOR, together with a multidisciplinary team, won the competition organised by Ath City Council to develop and purchase 19,711 m² of land on the site of the old Sugar factory, along the canal and near to the station.

To embody its urban renovation strategy, ATENOR designed a new exemplary city district based on a grouped habitat and sustainable development concept.

In the long term, LA SUCRERIE will offer a complex of apartments, shops and a nursery, and private gardens and common areas for socialising in peaceful, serene surroundings, just a stone’s throw from the city centre.

The project was drawn up by the architects firms DDS & Partners and Holoffe & Vermeersch.

The project envisaged, on the one hand, the renovation of the old sugar factory. The historic building with a rich industrial past has thus spawned a nursery, which opened in January 2017, and 16 loft-style apartments.

It envisaged on the one hand the building of a complex of 5 buildings (167 apartments), spreading over 3 or 4 floors, of varied type, offering studios, 1 to 3-room apartments and penthouses; the ground floor of 2 of the buildings being devoted to shops.

The building work done phase by phase was assigned to the general contractor Dherte s.a. who started the works in February 2015.

The apartments provide bright, functional spaces in human-sized buildings offering comfort and modern energy performances.

The provisional acceptances of the first two blocks (C2 and C3) were granted in late 2016 and those of blocks C1 and A were granted in the first quarter of 2017, enabling their occupants to move in.

Construction of the building B began at the end of 2017 for a delivery scheduled in August 2018.

The commercialisation of this 4th block started in November 2017. To-date, 5 of the 6 blocks are on sale and the reservation/sale rate for the project as a whole stood at 51% at the end of December 2017.

The project enjoys a prime location in an environment that is both tranquil and urban, in the heart of a public space that has been completely re-conceived for the benefit of its residents. In addition to public transport close at hand (train and bus), residents enjoy all city facilities nearby like shops, supermarkets, schools, leisure centres, sports clubs, without suffering from urban nuisances generally entailed.



Location	Along the Canal, near Ath railway station, Belgium
Project	Residential including housing units, retail spaces and a crèche
Owner	Atenor s.a.
Size	19.000 m² of residential units
Architects	DDS & Partners and Holoffe & Vermeersch
Start of works	February 2015

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LUXEMBOURG
GRAND DUCHY OF
LUXEMBOURG



LES BRASSERIES DE NEUDORF

In September 2011, ATENOR 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 to create a highly original residential and retail complex.

The complex, whose 11,400 m² of construction started in 2014 is fantastically located in one of the most dynamic and most attractive areas of Luxembourg's capital city. Located opposite the forest and the hill, the project, which was assigned to the Luxembourg architects firm Steinmetz Demeyer, now offers 87 apartments, 4 office spaces, 8 shops and 111 parking spaces.

ATENOR wished to combine the past and modernity by renovating part of the brewery's historic structures and adding the construction of new buildings. The whole now presents a complex that fits beautifully into the natural environment.

Les Brasseries de Neudorf is the first residential project executed by ATENOR in Luxembourg. The apartments or studios spread over a maximum of 5 floors all have a terrace and also a bright, convenient, quality interior space. The renovated part of the brewery has several high-class lofts.

The quality of the construction and of the techniques guarantees class A (passive) energy performance.

A public square offering green and recreational spaces was developed to host local events that will liven up the district.

Just a few minutes separate the Brasseries de Neudorf from the Plateau du Kirchberg district and Luxembourg city centre, either by car or by

public transport. Access to main roads is close at hand, with easy connections to the airport, France, Germany and Belgium.

All the apartments have been sold since late 2015, showing how successful this project is.

Although the building works, started in late 2014, were somewhat delayed, postponing delivery for several months, all the apartments have, on today's date, been accepted.

Concerning retail shops, at the end of 2017, only 3 shops remain on sale.



BUS STOP OPPOSITE



PARC KLOSE-GROENDCHEN
1,5 KM AWAY



LUXEMBOURG CITY CENTRE
3 KM AWAY



E44 MOTORWAY
3 KM AWAY



CENTS-HAMM SNCL RAILWAY
STATION 4,2 KM AWAY

BELVAL
GRAND DUCHY OF
LUXEMBOURG



TWIST

In July 2017, following an architectural contest initiated by AGORA, responsible for the urban development in Belval in the Grand Duchy of Luxembourg, ATENOR has been selected from numerous candidates for the development of lot 46 in the Square Mile district within the new residential and tertiary development cluster in the municipalities of Sanem and Esch-sur-Alzette.

This project concerns the development of a mixed property of 14,300 m² on a 28.8 acre site consisting of offices, residential and retail premises and 196 parking spaces.

The selection procedure was organised on the basis of architectural, urban and economic criteria defined by the local AGORA authorities.

The project, realized in collaboration with Steinmetzdemeyer Architectes Urbanistes in Luxembourg, has distinguished itself for its major urban and architectural qualities. It also perfectly addresses the objectives of diversity and sustainability but also of social innovation expected for this contest.

In consultation with the local authorities, a Particular Development Plan (PAP-Plan d'Aménagement Particulier) will be submitted by AGORA in the first quarter of 2018.

This new development demonstrates ATENOR's determination to pursue the development of innovative and large-scale real estate projects in Belval in collaboration with AGORA.



UNIVERSITY OF LUXEMBOURG
400 M AWAY



BELVAL PLAZA SHOPPING
CENTRE 500 M AWAY



BELVAL STATION
500 M AWAY



A4 MOTORWAY
500 M AWAY

Location	Rue de Neudorf 268-272, Luxembourg, Grand Duchy of Luxembourg
Project	Essentially residential complex with some offices and retail spaces
Owner	HF Immobilier s.a. (100% Atenor)
Size	11,400 m ²
Architects	Steinmetz Demeyer
Start of works	Autumn 2014
End of works	Second half of 2017

Location	Belval site, Sanem district, Grand-Duchy of Luxembourg
Project	Mixed office, residential and retail
Owner	Atenor Luxembourg
Size	14,300 m ²
Architects	Steinmetzdemeyer Architectes Urbanistes
Start of works	3 rd quarter 2019
End of works	4 th quarter 2021

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NAOS

In July 2016, ATENOR signed a partnership with a group of private investors in order to develop a mixed office and retail project in the Grand Duchy of Luxembourg, on the Belval site, an old brownfield site, now redeveloped into a new urban district and business magnet.

The NAOS building, located in the Esch-sur-Alzette and Sanem districts, at the crossroads of the Boulevard du Jazz, the Boulevard de la Recherche and the Avenue du Blues, at the heart of the «Square Mile», will offer 14,000 m² of offices and shops.

The Belval district, presented today as the new Luxembourg address, has been re-conceived for company creation and development, offering at the same time a tremendous mix of work, housing and daily life.

The building designed by the Luxembourg architects firm Beiler+ François will have 12 levels: 9 above ground and 3 in the basement, offering 261 parking spaces. The spaces proposed will be modular and have an architectural design with high-level energy performances.

A conference room that can take up to 300 people will be lodged at the heart of the building; a terrace-garden of around 200 m², an ideal place to meet and converse, will also be set up on the 3rd floor, offering all in all an ideal working environment.

The earthworks were finished in May 2017, enabling building work to start midway through 2017. Works

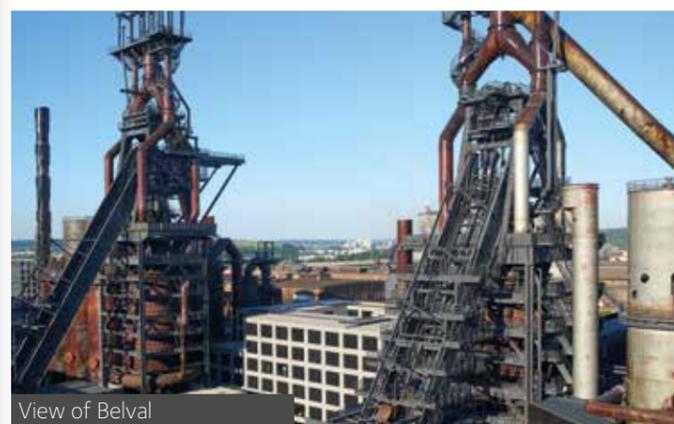
are progressing to schedule for estimated completion by June 2019.

Initially, the offices will house the parent company of the Arns IT group and will also host A3T, a consultancy, audit, accounting services and tax consultancy company. Together, these two companies will occupy 52% of the building's floor area. The commercialisation of the remaining floor areas started in late 2017.

The project is executed by the Luxembourg company "NAOS", 55% ATENOR-owned. It steers the project in close collaboration with AGORA, the development company in charge of the development and commercialisation of the Belval site on which the University of Luxembourg has been based since 2015.



Location	Belval site, Esch-sur-Alzette and Sanem, Grand-Duchy of Luxembourg
Project	mixed project (offices and retail)
Owner	Naos s.a. (55/45 partnership Atenor and private investors)
Size	14,000 m ²
Architects	Beiler+François Architectes
Start of works	July 2017
End of works	June 2019



View of Belval



View of Belval

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LEUDELANGE
GRAND DUCHY OF
LUXEMBOURG

BUZZCITY

In November 2017, ATENOR concluded an agreement to develop a site in the “Am Bann” economic area in Leudelange. The intention is to develop a “next-generation” office real estate project responding to the specific demand of the Luxembourg market.

The site, which lies close to the Croix de Cessange interchange (A4 and A6 motorways), is appropriately located in one of the city of Luxembourg economic extension zones, offering an interesting alternative in terms of quality, price and accessibility on a Luxembourg market in constant growth.

The buildings, offering a total above-ground area of approximately 16,000 m², will be completed in several phases. They will be linked to provide optimum flexibility and communication for either multi-tenant or single tenant occupancy.

The development will be carried out in collaboration with the temporary partnership of architects E.urbain and Jaspers-Eyers & Partners.

The building permit request will be submitted to the Leudelange Municipal Administration at the end of March 2018.

CITY BELT OF
LUXEMBOURG CITY

A4 MOTORWAY
500 M AWAY

ESCH-SUR-ALZETTE
12 KM AWAY



Location	"Am Bann" Activity Area in Leudelange, Grand Duchy of Luxembourg
Project	Office programme
Owner	Atenor Luxembourg
Size	16,000 m ²
Architects	AM E.urbain and Jaspers-Eyers & Partners



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BORDS DE SEINE

BEZONS
FRANCE



TRAM AND BUS AT THE EDGE
OF THE SITE



A86 MOTORWAY 300 M AWAY



LA DEFENSE BUSINESS DISTRICT
7 KM AWAY



SAINT-GERMAIN-EN LAYE FOREST
10 KM AWAY



CHARLES DE GAULLE AIRPORT
33 KM AWAY

In July 2017, ATENOR acquired, through its French subsidiary, a site of approximately 7,000 m² on ground level located on the edge of the Seine, in the Péri-Défense market in Paris at Bezons.

The site was purchased from Séquano Aménagement, a French semi-public company active in development and construction. It has a building permit for an office building developing approximately 32,500 m² above ground.

In November 2017, ATENOR submitted a new building permit application for 34,000 m² of offices enhancing the building currently authorised in sustainable development terms in order to capture the Péri-Défense market's interest in large-scale, high-energy-performance new buildings in high-quality immediate surroundings, at highly competitive conditions compared to La Défense market in particular.

ATENOR will start building as soon as the permit, cleared of any claims, is obtained, expected in the third quarter of 2018.

In order to manage this new development, ATENOR set up its first French subsidiary in Paris: «BDS, Une Fois SAS». The project will be executed in partnership with the managers of HRO, a reputed French Project Management company that has developed around 600,000 m² over the last 20 years, mostly in the Péri-Défense sector.

The site accessibility is excellent, both by public transport (including the T2 tram at the foot of the site, connecting it to La Défense in 12 minutes and to the Gare de Garenne Colombes in 7 minutes), and by road (at the exit of the A86). Innovative and eco-friendly, the building will offer a wide range of services to its occupants: electric charging terminals, fitness room, restaurant, hairdresser, concierge service... all designed to create a new way of working on the banks of the Seine.

This acquisition fits perfectly into ATENOR's strategic evolution, aiming to increase its business in Europe's most dynamic metropolitan markets.



Location	At the edge of the Seine, Bezons (Paris), France
Project	Office building
Owner	BDS une fois SAS (100% Atenor)
Size	34.000 m ²
Architects	SRA / SOM
Start of works	3 rd quarter 2018
End of works	3 rd quarter 2020



Bords de Seine, the square



Bords de Seine, South view

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VACI GREENS

VACI GREENS is the first ATENOR project executed in the heart of Budapest, which has quickly become the success story of the Hungarian market.

This huge office complex of over 120,000 m² stands on a 2.5-hectare plot located on the Boulevard Vacı Ut. It meets the strictest environmental standards and is perfectly adapted to the requirements of the local market.

The project enjoys a magnificent location at the heart of the «Vacı Corridor», one of the most dynamic business districts in the Hungarian capital, near to the Danube, the large residential complexes, shopping centres, underground lines and roads into the city centre.

The phased construction of the VÁCI GREENS offices and services complex started in 2010. Each building will have a 3-level basement car park, an esplanade and a public walkway providing optimum mobility between the different buildings.

The sustainable-development type buildings have obtained the BREEAM environmental certification «Excellent» and several International Real Estate Awards. They offer a bright, attractive working environment with huge floor areas, green spaces, easy access by car or public transport from the centre.

In February 2017, the first building finished («A» - 15,700 m²) was sold to a group of Hungarian investors. This building, completed in September 2013 is leased to various top international companies including the General Electric Group, which occupies several floors.

The second building «C» with a floor area of 18,500 m² was completed in June 2015 and fully leased to General Electric. In December 2016, this building was transferred to the Czech investment fund ZFP realini, managed by ZFP Investments.

Building «B» of 25,300 m² work on which started in 2014 and finished in March 2016 and 95% leased, was sold in March 2017 to a Hungarian property fund.

Works on the 4th building, building «D» (15,900 m²) began in June 2016 and were accepted in the first quarter of March 2018. The sale of the building in future state of completion to a private Hungarian fund was signed in November 2017. This building is over 50% leased, a quarter of it to Unilever. Other reputed tenants, the companies ATOS and AON also signed a lease contract in 2017 and will move in in 2018.

The permits for the last two buildings, «E» and «F», should be obtained in March 2018. Construction could start immediately for a delivery during 2020.



Location	Vacı ut, 13th District, Budapest, Hungary	
Project	Construction of office buildings comprising 6 independent buildings	
Owner	City Tower Kft (100% Atenor) for buildings E and F	
Size	Phase 1 (3 buildings A, B and C): 60,104 m ² / Phase 2 (3 buildings D, E and F): ± 65,000 m ²	
Architects (phase 1)	TIBA Epitesz Studio Kft (Budapest) and Vikar & Lukacs Kft (Budapest)	
Technical data	Breeam "Excellent" / Recovery of rainwater / Use of recyclable materials / Urban heating / Low energy lighting	
Start of works	January 2011	
End of works	Building 1 - A: finished in the 3 rd quarter of 2013	Building 4 - D: delivery scheduled for 1 st quarter of 2018
	Building 2 - C: finished in the 2 nd quarter of 2015	Building 5 - E: to be determined
	Building 3 - B: finished in the 1 st quarter of 2016	Building 6 - F: to be determined



Vaci Greens: relaxation area



Vaci Greens: terrace

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ARENA BUSINESS CAMPUS

In late August 2017, ATENOR acquired 19,000 m² of land on Boulevard Hungária, one of the main highways in Budapest connecting the city centre to the airport, which has excellent public transport links (tram, bus, metro) and shops catering to office workers.

The site provides an opportunity to build a campus of 4 office buildings with commercial spaces covering approximately 85,500 m², which will be developed in phases. The building permit application should be submitted in February 2018 for a start of works planned for the second quarter of 2018.

ATENOR already has a high-quality team in Budapest that will manage this new development alongside the execution of the Vaci Greens project.

The acquisition is consistent with ATENOR's development strategy, which aims to promote major projects of the highest architectural and environmental quality in European cities with positive financial indicators.



Arena Business Campus - buildings A and B



Arena Business Campus - building C

Location	On the Hungaria Boulevard, Budapest, Hungary
Project	4 office buildings and retail spaces
Owner	Hungaria Greens KFT (100% Atenor)
Size	85,500 m ²
Architect	Vikar & Lukacs

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HERMES BUSINESS CAMPUS

The HERMES BUSINESS CAMPUS office project in Bucharest perfectly illustrates ATENOR's will to exercise its know-how beyond national borders.

With an ear open to the market, ATENOR has worked to meet the expectations of the local economic environment and has executed an office and retail complex of around 73,200 m². This complex perfectly meets the local demand of national and international companies.

In January 2010, the Romanian company NGY (100% subsidiary of ATENOR), obtained the planning permit for the phased construction of a complex comprising 3 office buildings, all in the heart of the Dimitrie Pompeiu business district, one of the most dynamic administrative areas in the Romanian capital.

Building work on the 3 buildings started in 2010, 2014 and 2015 respectively, and ended in March 2014 for HBC1 and in 2016 for HBC 2 and 3. On today's date, all the HBC works have been completed except for recently leased or still vacant floor areas.

Work on the HBC1 building finished in March 2014. Its offices are now entirely leased to various tenants such as B Schenker, Luxoft, the Dutch embassy, Xerox ...

The second building, the HBC2, delivered in March 2016, is 100% leased to reputed tenants like Mondelez, Luxoft, Lavalin, DB Schenker, ...

The last building was completed in November 2016 and is entirely leased to Genpact Romania.

Thanks to their size, their flexible spatial organisation and their technical qualities, the three buildings meet the requirements of national, international companies and more specifically of Call Centers

and Shared Service Centers, guaranteeing high concentration and high efficiency.

In August 2016, the HBC1 building obtained the "Excellent" BREEAM environmental certification. In the long term, the other two buildings should be granted the same rating.

The HERMES BUSINESS CAMPUS real estate complex located in the Dimitriei Pompeiu administrative area, in the north of Bucharest, enjoys an exceptional location and accessibility.

Built along the boulevard Dimitri Pompeiu, the complex is next to the artery providing connection to Banesasa and Otopeni airports.

Located right opposite the district's main metro station, Hermes Business Campus also benefits from quick connection to the urban public transport network.

Soft mobility will also be favoured by the implementation of an «intelligent» car park with registration plate recognition system and a shared electric bicycle offer.

Contacts are in progress for the future sale of the buildings in the context of an increasingly positive investment market.

BUCHAREST
ROMANIA



TRAM 30 M AWAY



METRO STATION 200 M AWAY



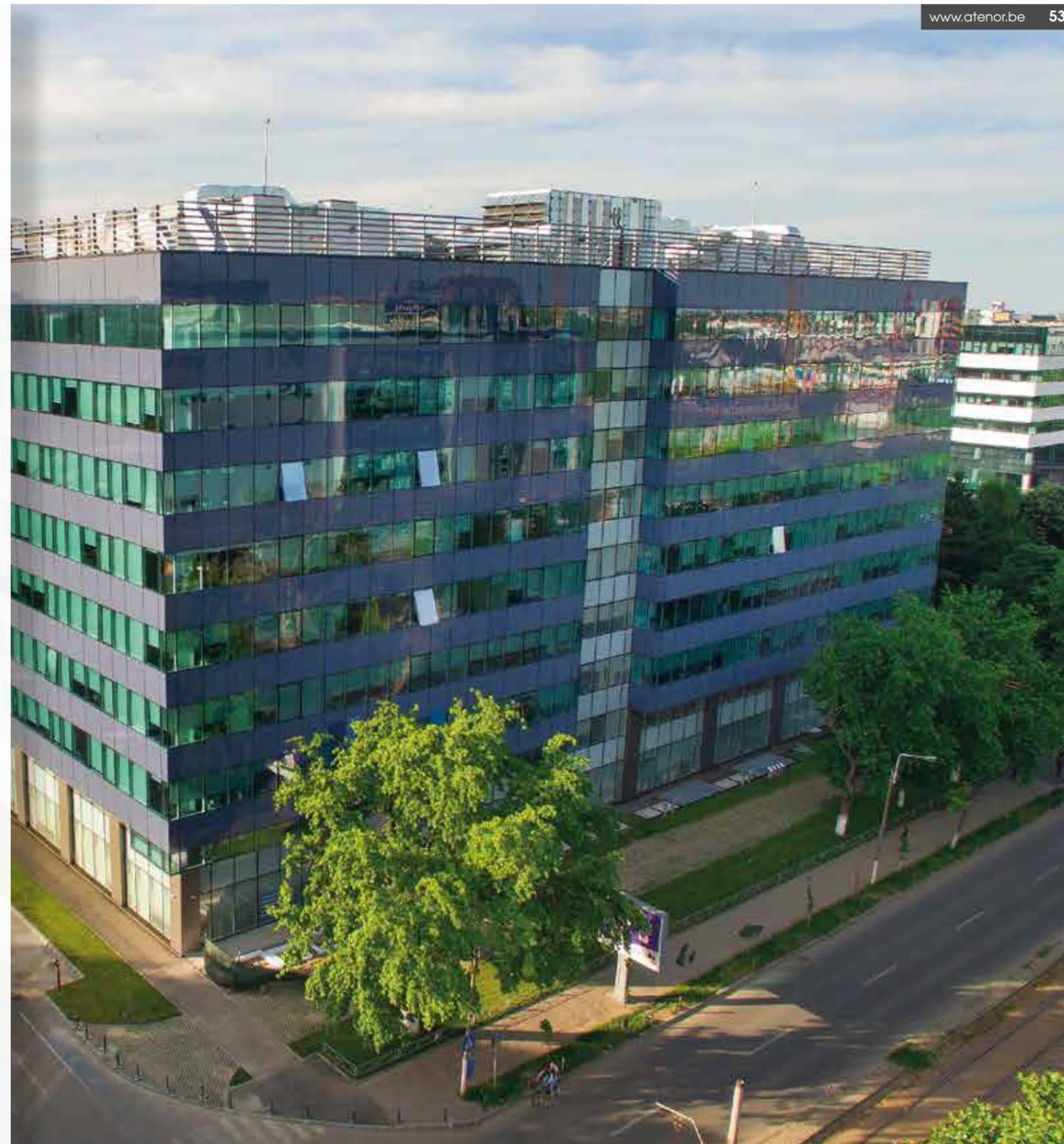
PARC HERASTRAU
3,5 KM AWAY



HENRI COANDA INTERNATIONAL
AIRPORT 20 MINUTES AWAY



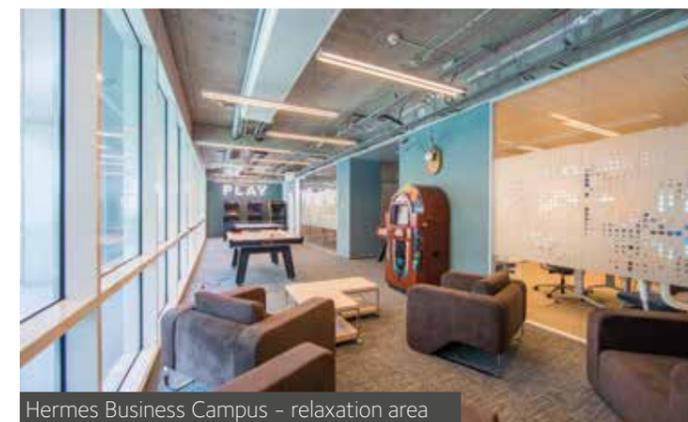
E60 MOTORWAY
15 MINUTES AWAY



Location	Bld Dimitrie Pompeiu, 2nd District, Bucharest, Romania
Project	Construction of an office complex of 3 office buildings
Owner	NGY Propertiers Investment srl (100% Atenor)
Size	78,212 m ² gross
Architects	West Group Architecture srl
General Contractor	Octagon SA
Start of works	During 2010 (HBC 1) - During 2014 (HBC 2) - During 2015 (HBC 3)
End of works	March 2014 (HBC 1) - March 2016 (HBC 2) - December 2016 (HBC 3)



Hermes Business Campus - Lobby



Hermes Business Campus - relaxation area

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DACIA 1

In July 2016, ATENOR completed the acquisition of two adjoining plots in the heart of the Bucharest CBD in order to develop a new office building facing the Romanian Academy and its park.

The site with a total ground surface area of 5,000 m² is ideally situated in the historic centre of Bucharest, at the junction of two major roads, the Boulevard Dacia and the Calea Victoriei. This very popular shopping avenue links the seat of the Romanian government with the parliament.

The plot also houses a classified mansion, formerly occupied by the German legation. The permit for the restoration of this historic building was obtained in late 2017, enabling renovation works to start.

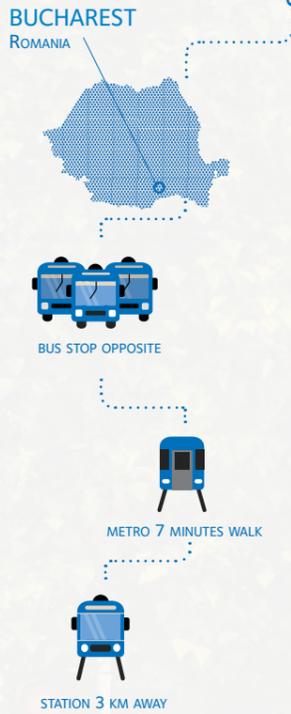
ATENOR also intends to build a new class A office building.

The new building will meet the best space and energy performance standards, harmoniously integrating with the historic centre of Bucharest. A construction permit for this new building was submitted as part of a PUZ (Zonal Urban Plan). Acceptance is expected in the 3rd quarter of 2018.

The design of the project has been assigned to a reputed Romanian architects firm: STUDIO10M.

Thanks to its central location, DACIA 1 has public transport close at hand. There are bus stops opposite and alongside the project and the metro stations Romana and Victoriei are a few minutes' walk away.

Active for more than 10 years in Bucharest, ATENOR has seen the excellent performance of the Romanian economy, which has a positive impact on the real estate market in Romania's capital. DACIA 1 with its favourable fundamentals will be developed as quickly as possible in order to meet current demand.



Location	At the junction of the Calea Victoriei and Boulevard Dacia, CBD, Bucharest, Romania
Project	Office building
Owner	Victoriei 174 Business Development srl (100 % Atenor)
Size	15,000 m ²
Architect	Studio10M (Bucharest)



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BUCHAREST
ROMANIA

@ EXPO

In late 2017, ATENOR, through its Romanian subsidiary, completed the purchase of a new site in Bucharest (Romania). This has a floor area of approx. 11,600 m² and is located in the north western part of the city in the Expozitiei/Piata Presei Libere area, right opposite ROMEXPO.

The project will enable the development of an office complex of around 44,000 m² once again demonstrating ATENOR's determination to develop innovative, large-scale property projects in a growing Romanian market.

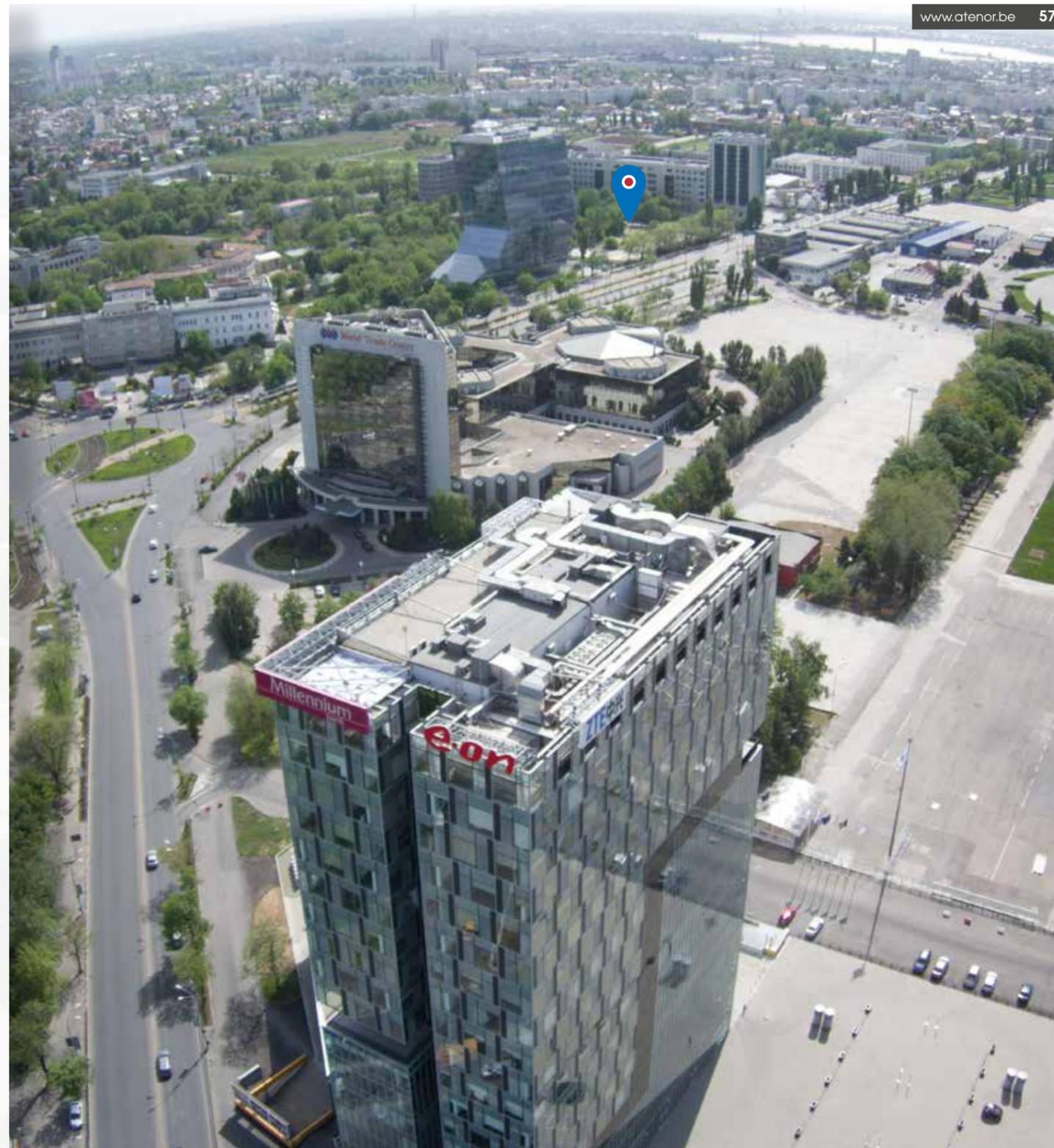
An initial permit application will be submitted in the first half of 2018.

Access to the site is excellent, both by public transport (with a number of buses and trams quickly and effectively connecting the area with the rest of the city) and by road (direct link to Bucharest city centre and Henri Coanda International airport less than 15 minutes away). Furthermore, the recently approved underground line, which will link (from 2021) Bucharest's main station to the Henri Coanda international airport will have a station few steps away from the site.

This acquisition consolidates ATENOR' strategic evolution aiming to increase its business in Europe's most dynamic metropolitan markets.



Location	Avenue Expozitiei, Bucharest, Romania
Project	Office complex
Owner	NOR Real Estate srl (100% Atenor)
Size	44,000 m ²
Architect	Urban Office



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CORPORATE GOVERNANCE STATEMENT



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In its capacity as a listed company, ATENOR 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 stakeholders and the market in general with a guarantee of reliability and transparency of the communicated information.

THE REFERENCE CODE

ATENOR 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 updated in 2017. It is available on the website of ATENOR (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 what is foreseen in the Code, the individual contribution of the Directors 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 competences to take on this role.
- Principles 5.2/4 and 5.4/1 of the Code: The Audit Committee includes two independent Directors. In view of the fact that the Audit Committee, 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 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 2017

Insofar as the shareholders' structure is concerned, readers are referred to page 22 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. 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 from the stable 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 Sonnevile s.a. and Luxempart s.a. This was extended in November 2011 for a further period of five years.

On 30 November 2016 this agreement was updated and extended for a 5-year period tacitly renewable for two successive 5-year periods. It includes 33.75% of ATENOR's capital.

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

In accordance with article 74 of the law of 1st of April 2007 concerning public acquisition offers, these shareholders have notified the FSMA (Financial Services 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

Regarding 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.

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 18 of this Annual Report.

On 31 December 2017, the Board of Directors consists of four independent Directors: Prince Charles-Louis d'Arenberg, Investea sprl represented by Mrs Emmanuèle Attout, MG Praxis sprl represented by Mrs Michèle Grégoire and Sogestra sprl, represented by Mrs Nadine Lemaitre.

Insofar as its functioning is concerned, the Board of Directors held six meetings in 2017 (two of these by Conference Call).

The attendance of the Directors is summarized as follows:

Name	Present	Represented	Excused
Frank Donck	6		
Stéphan Sonnevile s.a. represented by S. Sonnevile	6		
Prince Charles-Louis d'Arenberg	6		
Baron Luc Bertrand	6		
Marc De Pauw	6		
Investea sprl represented by Emmanuèle Attout	5	1	
Luxempart s.a. represented by Jacquot Schwertzer	6		
MG Praxis sprl represented by Michèle Grégoire	4	2	
Philippe Vastapane	6		
Sogestra sprl represented by Nadine Lemaitre	5	1	

The Articles of ATENOR 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 consolidated annual and half-year results, the forecasted results of ATENOR and its subsidiaries, the

monitoring of the principal projects, the company strategy, the analysis and the decisions concerning investments and financing as well as the evaluation rules.

Since 31 December 2016, the position of Secretary of the Board of Directors is filled by Real Serendipity bvba represented by Mr Hans Vandendael.

The changes in the composition of the Board of Directors is intended to guarantee greater gender diversity; the aim to have at least one third women Directors on the Board will be taken into account in the Director nomination proposals.

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

THE AUDIT COMMITTEE

With regard to the composition of the Audit Committee, readers are referred to page 19 of this Annual Report.

The Audit Committee met 4 times in 2017. The attendance of the members is summarized as follows:

Name	Present	Represented	Excused
Marc De Pauw, Chairman	4		
Frank Donck, Member	4		
Prince Charles-Louis d'Arenberg, Member	4		
Investea sprl represented by Emmanuèle Attout, Member	4		
Philippe Vastapane, Member	4		

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 (www.atenor.be).

THE NOMINATION AND REMUNERATION COMMITTEE

With regard to the composition of the Nomination and Remuneration Committee, readers are referred to page 19 of this Annual Report.

The Nomination and Remuneration Committee met twice in 2017. The attendance of the members is summarized as follows:

Name	Present	Represented	Excused
Sogestra sprl represented by Nadine Lemaitre, Chairman	2		
MG Praxis sprl represented by Michèle Grégoire, Member	1	1	
Luxempart s.a. represented by Jacquot Schwertzer, Member	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 (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 members of the Executive Committee.

This assessment is made either by means of a questionnaire (to be completed by each Director), or by interviews which deal with the following subjects: the composition of the Board and how it works, the information provided to the Board of Directors, the culture and cooperation within the Board, the tasks, degree of involvement of the Board in ATENOR's different fields of business, remuneration, the relationship with members of the Executive Committee, the relationship with shareholders and the Board of Directors' Committees. The answers are dealt with and presented in a summary note which is subject to discussion at Board Meetings.

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 and its Committees.

As mentioned hereinabove and contrary to what is foreseen in 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.

This assessment follows a similar method to that detailed above for 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 (www.atenor.be).

THE EXECUTIVE COMMITTEE

With regard to the composition of the Executive Committee, readers are referred to page 18 of this Annual Report. The Executive Committee is composed of 4 members.

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 (www.atenor.be).

CONFLICTS OF INTEREST

The members of the Board of Directors and of the Executive Committee refrain from any and all deliberation or decision which concerns their personal, commercial or professional interests.

The application of the procedure related to the conflicts of interest was not required in 2017.

REGULATED INFORMATION

There are no statutory restrictions on 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.

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 Meeting of 22 April 2016 renewed ATENOR's authorisation 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 22 April 2016.

In accordance with the General Assembly decision of 28 April 2017, the Board of Directors is authorised to increase the share capital one or several times by a maximum amount of fifty-seven million six hundred and thirty thousand, five hundred and eighty-five Euro and sixty-nine cents (€ 57,630,585.69). These capital increases may be executed by cash subscriptions, contributions in kind or incorporation of reserves. This authorisation is valid for a period of five years as of the publishing in the appendix to the Moniteur Belge of the amendment of the articles decided by the Extraordinary General Assembly of 28 April 2017 but it may be renewed in accordance with legal provisions. Within the limits of this authorisation, the Board of Directors may issue share-convertible bonds or warrants in adherence to the provisions of the "Code des Sociétés.»

The specific circumstances in which the authorised capital can be used and the objectives pursued are indicated in the special report drawn up by the Board of Directors in accordance with article 604 C.Soc.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

ATENOR 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 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 the preparation of 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 prepared. 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 company law and accounting law and in terms of time periods.

The responsibilities regarding risk management in the preparation of the financial information have been defined in a general way and communicated to the people concerned. They are reminded 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 risk occurrence.

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 monitoring 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;
- measures to ensure the continuity of service;
- 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 has set up means 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 means 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's presence) 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 Xavier Doyen. His annual fees amounted to 45,411 euro.

The total of the Auditor's fees for his audit work for ATENOR and for its subsidiary companies increased in 2017 to 107,989 euro. The Auditor carried out and invoiced for additional services for an amount of 6,950 euro.

Fees for the audits of overseas subsidiaries assigned to the Mazars network amounted to 37,310 euros in 2017.

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

REMUNERATION REPORT

APPROVAL

Every year, the remuneration report is presented to shareholders at the General Meeting, for approval. This has always been subject to the approval of shareholders at the General Meeting.

PROCEDURE AND RULE OF THE NOMINATION AND REMUNERATION COMMITTEE

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 Executive Committee 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 Executive Committee, 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 members of the Executive Committee.

REMUNERATION OF 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 2017, the Board of Directors will propose at the General Meeting a lump sum of 316,000 euro as Directors' fees. These, as the case may be, will be distributed

Strategy
 Letter to the shareholders
 ATENOR acting for Smart Cities
 2017, how it unfolded, ...
 Administration
 Information to shareholders and investors
 Report of activities and projects
 > [Corporate Governance Statement](#)

as follows:

- 60,000 euro for the Chairman of the Board of Directors
- 30,000 euro for each of the non-executive Directors, whether they are members of a Committee of the Board of Directors or not
- an additional 8,000 euro for each of the Presidents of a Committee of the Board of Directors
- an additional 8,000 euro for each of the non-executive Directors and members of two Committees of the Board of Directors.

On an individual basis, this information can be summarised as follows:

Name	Directors'fees
Frank Donck	€ 60,000
Prince Charles-Louis d'Arenberg	€ 30,000
Baron Luc Bertrand	€ 30,000
Marc De Pauw	€ 38,000
Investea sprl represented by Emmanuèle Attout	€ 30,000
Luxempart s.a. represented by Jacquot Schwertzer	€ 30,000
MG Praxis sprl represented by Michèle Grégoire	€ 30,000
Sogestra sprl represented by Nadine Lemaitre	€ 38,000
Philippe Vastapane	€ 30,000

REMUNERATION OF MEMBERS OF THE EXECUTIVE COMMITTEE (INCLUDING THE CEO)

Members of the Executive Committee (including the CEO) receive a remuneration package essentially consisting of a basic remuneration as the case may be supplemented by a variable annual remuneration (bonus) in specific cases or for special services.

Furthermore, for several years the Board of Directors has considered that the profit-sharing of members of the Executive Committee (including the CEO) in real estate projects is an essential motivational element. This policy aims at involving members of the Executive Committee more, not just in the growth of the whole of ATENOR, but also in the selection, management and evaluation of each real estate project. This policy also contributes to align the members of the Executive Committee's interests with those of ATENOR, by linking it to the risks and outlook of its business activities in the long term.

Consequently, the CN&R has set up an options plan on Atenor Group Participations shares for members of the Executive Committee (separate from the Atenor Group Investments options plan, which benefits all employees and the members of the Executive Committee). Atenor Group Participations (or

AGP) was set up in the course of 2012 as a co-investment company for an unlimited period. All shares of AGP are held (directly or indirectly) by ATENOR. It was agreed that AGP will invest with ATENOR 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 of ATENOR in the projects or the economic interest of ATENOR in the projects. The added value that the beneficiaries of these options could derive from exercising them takes into account a priority return for shareholders of ATENOR and can be influenced by dividends of AGP paid to ATENOR.

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 the Executive Committee. A variable remuneration (bonus) as mentioned above shall be granted only in special cases or for special services.

The remuneration of the CEO and of the members of the Executive Committee does not include the free allocation of shares of ATENOR or of a subsidiary.

The Company does not consider modifying its remuneration policy in the next two years and did not significantly deviate from its remuneration policy during the financial period covered by this annual report.

REMUNERATION OF THE 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 annual assessment of the collaboration and based on the principles approved by the Board.

The amount of the remuneration, other benefits granted, directly or indirectly, and earnings obtained for the 2017 financial year amounted to 1,118,715 Euro and can be broken down as follows (company cost):

- basic remuneration (VAT excluded): 554,696 Euro
- variable remuneration: nihil
- contributions to a pension plan: there were no contributions for a pension plan
- other advantages: there were no other advantages
- earnings from the exercising in FY 2018 of 355 AGP share options (granted in 2017): 564,019 Euro

More information on the options granted, exercised or expired in 2017 is set out hereafter.

REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE (OTHER THAN THE CEO)

The level and structure of the remuneration of the members of the Executive Committee is such that it ensures 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.

The collaboration with each member of the Executive Committee is annually subjected to an evaluation process in order to determine whether the respective member has achieved the targets that were agreed upon during the evaluation of the preceding year.

Targets are determined for each member of the Executive Committee according to their role and function in the group and are related to the major execution phases of the projects led by ATENOR, such as acquisition, obtaining of the permit, sale or lease.

In addition to the daily informal contacts, this evaluation is conceived as a moment of exchanging views that allows to guide the collaboration with each member of the Executive Committee. Insofar as the members of the Executive Committee are concerned, this evaluation is held with the CEO, who reports on the evaluation to the Nomination and Remuneration Committee.

On an overall basis, the amount of the remunerations, other benefits granted directly or indirectly, and earnings obtained from the exercise of options by the Members of the Executive Committee (other than the CEO) for the 2017 financial year, amounted to 1,959,449 Euro and can be broken down as follows (company cost):

- basic remuneration (VAT excluded/gross salaries): 1,030,009 Euro
- variable remuneration: 0 Euro
- contributions to a pension plan: 83,348 Euro
- other benefits: 8,148 Euro (car/gsm/laptop)
- earnings from the exercising in FY 2018 of 585 AGP share options (granted in 2017): 929,440 Euro

More information on the options granted, exercised or expired in 2017 is set out hereafter.

ATENOR GROUP INVESTMENTS STOCK OPTION PLAN

At the end of 2013, ATENOR replaced the ATENOR share option plan with an Atenor Group Investments (AGI) share option plan, a subsidiary set up in 2013 and 100% owned by ATENOR. AGI holds a portfolio of 163,427 ATENOR shares, 150,000 of which it acquired from ATENOR (own shares) at the price of 31.88 Euro and 13,427 of which result from the exercising of the optional dividend proposed by shareholders at the General Meetings in May 2014 and 2015.

A new tranche of 39,625 options on Atenor Group Investments (AGI) shares is proposed for shareholders' approval at the General Meeting of 27 April 2018.

These options are allocated to members of staff and employees on the basis of 5 hierarchy levels; the first two levels (Executive Committee members and Directors, i.e. 15 people including the CEO) being allocated the same number of options. The Board of Directors thereby aims to involve all ATENOR employees and members of the Executive Committee in the group's mid-term growth, while making the beneficiaries of the options bear part of the capital cost.

As far as members of the Executive Committee are concerned, the options granted were as follows:

Name	In 2016	In 2017	In 2018
Stéphan Sonnevile *	1,350	1,350	900
Sidney D. Bens	1,350	1,350	900
Laurent Collier *	1,350	1,350	900
William Lerinckx *	1,350	1,350	900
Olivier Ralet	1,350	-	-

* granted in 2017 and 2018 respectively to Stéphan Sonnevile sa, Strat UP sprl and Probatimmo bvba

For the said options, the terms are summarised as follows:

- Options granted in 2016: Their price of exercise was fixed, on the favourable opinion of the Atenor Group Investments commissioner, at 22.67 Euro per option, corresponding to their inventory value per Atenor Group Investments share on 31 January 2016, after re-evaluation of the ATENOR share portfolio at 44.65 Euro per share, corresponding to the average of the 20 last closing prices. The benefit in kind these options represent comes to 4.08 Euro per option. These options will be exercisable in March 2019, March 2020 or March 2021. This benefit was granted in 2016 for the performances recorded in 2015.
- Options granted in 2017: Their price of exercise was fixed, on the favourable opinion of the Atenor Group Investments commissioner, at 26.08 Euro per option, corresponding to their inventory value per Atenor Group Investments share

on 31 January 2017, after re-evaluation of the ATENOR share portfolio at 46.168 Euro per share, corresponding to the average of the 20 last closing prices. The benefit in kind these options represent comes to 4.69 Euro per option. These options will be exercisable in March 2020, March 2021 or March 2022. This benefit was granted in 2017 for the performances recorded in 2016.

- Options granted in 2018: Their price of exercise was fixed, on the favourable opinion of the Atenor Group Investments commissioner, at 31.34 Euro per option, corresponding to their inventory value per Atenor Group Investments share on 31 January 2018, after re-evaluation of the ATENOR share portfolio at 49.33 Euro per share, corresponding to the average of the 20 last closing prices. The benefit in kind these options represent comes to 5.64 Euro per option. These options will be exercisable in March 2021, March 2022 or March 2023. This benefit was granted in 2018 for the performances recorded in 2017.

ATENOR STOCK OPTION PLAN

As a reminder, at the end of 2013, ATENOR replaced the ATENOR share options plan with an Atenor Group Investments share options plan. No more ATENOR share options were therefore granted after 2014.

The options issued in 2007 that had been prorogated could be exercised in 2017. They were exercised in 2017 by members of the Executive Committee as follows:

	Options 2007
Stéphan Sonnevile	8,000 on 8,000 options
Sidney D. Bens	4,000 on 4,000 options
Laurent Collier	-
William Lerinckx	4,000 on 4,000 options
Olivier Ralet	7,000 on 7,000 options

For the said options, the terms are summarised as follows:

Options granted in 2007: The vesting price per option comes to 42.35 Euro and they were exercisable from the 1st to the 31st October of the years 2012 to 2016 and from the 28th March to the 22nd April of the years 2013 to 2017.

ATENOR GROUP PARTICIPATIONS STOCK OPTION PLAN

As specified above, the options on Atenor Group Participations shares represent the major part of the incentive granted to the CEO and to the members of the Executive Committee.

The options **granted in 2017** for the **performances achieved in 2016** were partially exercised in 2018 as follows by members of the Executive Committee:

Stéphan Sonnevile s.a. represented by Stéphan Sonneville	355 out of 380 exercisable options
Sidney D. Bens	180 out of 180 exercisable options
Strat UP sprl represented by Laurent Collier	195 out of 210 exercisable options
Probatimmo bvba represented by William Lerinckx	210 out of 210 exercisable options

These options have a vesting price that corresponds to the net asset value (NAV) on 31 December 2016, after allocation, i.e. 1,100.77 Euro per share. The benefit in kind these options represent comes to 198.14 Euro per option.

Following the exercise of the said options in 2018, gains were made:

- By the CEO, of 564,0199 Euro;
- By all members of the Executive Committee (other than the CEO), of 929,440 Euro.

The following options were **granted in 2018** to members of the Executive Committee, for the **performances achieved in 2017**:

Stéphan Sonnevile s.a. represented by Stéphan Sonneville	355 exercisable options
Sidney D. Bens	180 exercisable options
Strat UP sprl represented by Laurent Collier	195 exercisable options
Probatimmo bvba represented by William Lerinckx	210 exercisable options

These options have a vesting price that corresponds to the net asset value (NAV) on 31 December 2017, after allocation, i.e. 1,100.08 Euro per share. The benefit in kind these options represent comes to 198.02 Euro per option.

COMPENSATION IN THE EVENT OF DEPARTURE

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

RIGHT TO CLAIM

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

2017 AUDITED FINANCIAL STATEMENTS

STATEMENT OF COMPLIANCE:

The consolidated financial statements on 31 December 2017 have been drawn up in compliance with the 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 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 ATENOR s.a. and the companies included within the consolidation scope as well as a description of the main risks and uncertainties with which they are confronted.

Sidney D. BENS
C.F.O.

Stéphan SONNEVILLE s.a.
C.E.O.

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ATENOR is a limited company established for an unlimited time.

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See additional information on www.atenor.be.

MANAGEMENT REPORT

To the Annual General Meeting of Shareholders on 27 April 2018

Ladies and Gentlemen,

We have the honour of presenting to you the Management Report of your company's 107th financial year and of submitting for your approval the Annual Accounts as at 31 December 2017, along with our proposals for the allocation of profits.

The consolidated results for 2017 amount to 22.18 million euro, compared with 20.38 million euro in 2016.

REVENUE FROM ORDINARY ACTIVITIES AND CONSOLIDATED RESULT

The revenues from ordinary activities amount to 220.43 million Euro, an increase of 63.60 million Euro compared to 2016. They mainly include: (a) the revenue arising from the sale of buildings A, B and D of the Vaci Greens project in Budapest (€130.32 M), (b) the last tranches of the Port du Bon Dieu project (Namur) following completion of the building (€11.21 M), (c) the revenue linked to the sales of the apartments of the projects Palatium in Brussels (€21.74 M), Au Fil des Grands Prés in Mons (€13.76 M), UP-site in Brussels (€8.10 M), Les Brasseries de Neudorf in Luxembourg (€7.34 M), and The One in Brussels (€5.88) and (d) the leasing revenue from the Vaci Greens and Hermès Business Campus (Bucharest) buildings and the Nysdam building (La Hulpe) for 9.75 million Euro.

The other operating revenue (€8.56 M) mainly includes the re invoicing of service charges and miscellaneous costs of the leased buildings (€5.33 M) and the realised gain arising, from the sale of the Senior Island holding (City Dox project) as construction works on the rest home progressed (€1.76 M).

The operating result amounts to 35.38 million Euro mainly influenced by the sale of buildings A, B and D of the Vaci Greens project (Budapest; €24.68 M), by the contribution of the Port du Bon Dieu office project (Namur) delivered to the bank (€2.27 M) and by the sale of apartments of the various residential projects, mainly Palatium (Brussels), Au Fil des Grands Prés (Mons) and City Dox (Anderlecht), for €3.95 M, €2.63 M and €1.1 M respectively.

The rental revenue net of charges of the HBC (Bucharest; €8.42 M) and Nysdam (La Hulpe; €0.66 M) buildings and the sale of Senior Island in Anderlecht (City Dox project; €1.78 M) give an additional contribution to the annual result.

The net financial result amounts to -10.37 million Euro, compared with -9.42 million Euro in 2016. The increase of net financial charges is mainly due to the increase of ATENOR's average net indebtedness.

Income taxes: The amount of this item comes to 2.48 million Euro (compared to €5.41 M in 2016). This item includes both the social tax and the deferred tax assets and liabilities linked to

the evolution of the sale of the aforementioned projects.

Taking the preceding factors into account, the group net result of the financial year amounts to 22.18 million Euro compared to 20.38 million Euro in 2016.

CONSOLIDATED BALANCE SHEET

The consolidated shareholders' equity amounts to 194.64 million Euro compared with 139.39 million at 31 December 2016, an increase of 7.3%.

As at 31 December 2017, the group has a net consolidated indebtedness of 329.00 million Euro, compared with a net consolidated indebtedness of 305.08 million Euro as at 31 December 2016.

The consolidated indebtedness consists, on the one hand, of a long-term debt amounting to 198.68 million Euro and on the other hand, of a short-term debt amounting to 178.45 million Euro. The available cash amounts to 48.13 million Euro compared to 145.40 million Euro at 31 December 2016.

The "buildings held for sale" classified under "Stock" represent the real estate projects in portfolio and in the course of development. This item amounts to 443.97 million Euro, an increase of 14.76 million Euro in comparison with 31 December 2016 (€ 429.21 million).

This variation results primarily (a) from the acquisition of the lands of the Bords de Seine 1 (Paris), Arena Business Campus (Budapest), @Expo (Bucharest), Au Fil des Grands Prés (phase 2 in Mons) and the VDAB and COS buildings (Realex project) for a total of €53.81 million, (b) from the continuation of the works of the City Dox (Anderlecht) and The One projects for 29.53 million Euro and (c) from the sale of the A, B and D buildings of the Vaci Greens project, of the CBC building in Namur and from the sales of the apartments of Palatium, UP-site, Au Fil des Grands Prés and Les Brasseries de Neudorf projects which reduce the stock by 75.95 million Euro. The remaining difference is distributed over the other projects in development.

OWN SHARES

Following the various share acquisitions and sales executed during 2017, ATENOR s.a. holds, on 31 December 2017, 35,195 own shares (compared to 11,308 on 31 December 2016). Although the policy is not strictly speaking a systematic buyback of own shares, ATENOR seizes any opportunity for such buybacks in view of the value of the shares and the comfortable cash position.

The number of ATENOR shares held on 31 December 2017 by the subsidiary Atenor Group Investments comes to 163,427 (situation that is unchanged from December 2016).

PROJECTS IN OUR PORTFOLIO

Over the course of 2017, all our projects developed favorably. This year again, we underline the diversity of the origination of income, the consequence of the functional and geographical diversification of the projects in portfolio.

Following the latest transactions, the portfolio currently includes 18 projects under development with a total of approximately 800,000 m².

THE ONE – European Quarter, rue de la Loi, Brussels (29,000 m² of offices & 9,000 m² of residential)

The construction works are continuing with the target of provisional delivery at end 2018. This building is the first concrete achievement of the Loi Urban Plan, a vast urban overhaul of the European Quarter conducted by the government of the Brussels Region.

On the commercial side, 53% of the apartments and the two ground-floor retail spaces have been sold (excluding reservations).

Leasing of the office space is taking shape with the signing of a first lease for 4,000 m², with an operator of co-working spaces.

The appeal to the Council of State brought against the RRUZ will no doubt lead the issuing authorities to carry out the impact studies that appear to be called for.

REALEX – [90% ATENOR] - European Quarter, between the Rues de la Loi & de Lalaing, Brussels (minimum 54,000 m² of offices)

The call for projects by the European institutions relating to the acquisition of a Conference Centre of some 24,000 m² above ground was published on 20 December, triggering preparation of the application documents to be submitted by 23 March. Competitive dialogue will then take place over a period lasting almost 18 months.

At the same time, and in the light of the various opportunities, several alternative scenarios are being studied with the architects to integrate the site of the two adjacent buildings recently acquired into a new building permit application.

PALATIUM – Quartier Louise, near the Palais de Justice, Brussels (approx. 14,000 m² mixed)

The redevelopment works started in late 2015 were completed and accepted and the apartments were delivered in November 2017 and January 2018. On a commercial level, only two apartments (out of 152) remain for sale, illustrating the project's success.

CITY DOX – Canal area, quai de Biestebroek, Anderlecht (approx. 165,000 m² mixed)

The phase one construction works and the sales process relating to the building of 93 apartments (32% of which are already sold), 8,500 m² of integrated business services, 71 service flats (13% sold) and one rest home, i.e. 39,500 m² in total, are continuing with a view to completion in the course of 2018.

We remind you that the subsidiary developing the rest home was subject to a share purchase agreement with an institutional investor in December 2015; the margin is recorded as construction works progress.

Furthermore, the application for the subdivision permit for phase two of the project, of a mainly residential nature introduced in May 2016, is taking its course. The special land-use plan (PPAS) of which it is a part has been promulgated. We remind you that this second phase incorporates the development contract launched by Citydev.Brussels and won by ATENOR; it concerns 16,393 m² of apartments, 12,471 m² of them devoted to subsidized housing, a project for which the permit is expected soon.

VICTOR [50% ATENOR] – opposite the South Station, Brussels (approximately 109,500 m² mixed)

The master plan for the Midi district should be granted regulatory power on the basis of the provisions foreseen in the new COBAT recently adopted by the Brussels Parliament (Drafting of a Development Master Plan - PAD). Studies within the framework of this PAD are underway. On the issuing authority's suggestion, ATENOR will study, once the planning framework has been established, the launch of an architecture contest integrating the latest parameters set out in the master plan. Following this contest, and in parallel to the PAD's planning appraisal, the building and environmental permit applications will be filed as soon as possible, with a view to executing the Victor project, as indicated in the Government's programme.

LES BERGES DE L'ARGENTINE – La Hulpe (residential and office project, approx. 26,000 m²)

Renovation works on the street-front offices (phase 1 – 4,000 m²) are continuing for delivery in autumn 2018. Contacts for letting/sales have been initiated.

At the request of the town council, ATENOR has reviewed the project in order to file the building permit application as soon as possible.

LE NYSDAM – La Hulpe (Office building – approx. 15,600 m²)

Following the latest signatures of lease agreements, the leasing rate of the building (which generates gross annual rental income of €1.2 million) is now more than 90%. Only 1,200 m² remain available for rental.

AU FIL DES GRANDS PRÉS – “Les Grands Prés” shopping precinct district, Mons (approx. 75,000 m² mixed)

The first six blocks of the first phase (202 homes in total) are all (pre-)sold; the first four blocks have already been accepted, the fourth of them in late February; the two other blocks are still under construction.

After obtaining the permit for two new blocks (64 housing units) in October 2017, the marketing of these 7th and 8th residential blocks has already reached a pre-sale level of 72% ahead of construction which is due to begin soon.

In addition, the planning permit encompassing the other plots

(phase 2) of the project and linking the commercial gallery to the new station, is awaiting approval by the Communal Council. Ultimately, it will enable the development of several hundred residential units, local retail shops and offices. As soon as it is obtained, applications will be filed for planning permits for offices and a first residential block.

LA SUCRERIE – Ath (183 residential units, 3 retail units, 1 nursery – 20,000 m²)

The first four blocks have been delivered. To date, 73% of the 91 apartments have been sold. The construction of the 5th block (35 apartments) that started in December 2016, continues, with completion scheduled for summer 2018.

LES BRASSERIES DE NEUDORF – Luxembourg City (87 residential units, 12 shops – 11,500 m²)

The remaining minor works are coming to an end, with a deadline at 30 April 2018 following the agreement negotiated with the General Contractor.

Contacts are in progress for the sale of the three remaining retail units.

NAOS – [55% ATENOR] Belval area, Grand Duchy of Luxembourg (office and retail building – 14,000 m²)

Construction work continued in accordance with the schedule, as the basement structure is now finalised. The leasing of the remaining surface area (49%) was launched at the end of 2017 following the signing of a lease with the Arns IT group and the A3T consultancy, audit and accounting services company.

TWIST (EX LOT 46 BELVAL) – Belval, Grand Duchy of Luxembourg (offices, housing and retail units – 14,300 m²)

This project renamed «Twist» concerns the development of a mixed building of 14,300 m² on 28.8 ares of land including offices, housing and retail units acquired after ATENOR won the competitive bid. Talks are underway with the local authorities with a view to introducing a special development plan (Plan d'Aménagement Particulier - PAP) which should be obtained before the end of the year.

BUZZCITY (EX LEUDELANGE) – Leudelange, Grand Duchy of Luxembourg (office building – 16,000 m²)

Via its Luxembourg subsidiary, ATENOR signed a pre-agreement last November for the acquisition of almost 1.3 hectares of land located in the «Am Bann» area of Leudelange. This project, named «BuzzCity», concerns the development of a potentially phaseable office complex of some 16,000 m². The planning permit will be filed at the end of March and should be obtained during Q3 2018, thus enabling the purchase deed to be finalised and construction to be launched.

BORDS DE SEINE 1 [99% ATENOR] – Bezons (Paris) – (34,000 m² of office space)

A new permit for 34,000 m² was issued in February 2018 enabling the building's sustainable development aspect to be optimised. The aim is to start construction mid-2018, after the appeals phase and in a highly active Péri-Défense market.

VACI GREENS – Vaci Corridor, Budapest (130,500 m² of offices)

After selling the Vaci Greens buildings A and B in the first half of 2017, ATENOR sold the Vaci Greens D building on future completion at the end of October. Acceptance of the building took place in January 2018 and its main lessee Unilever was therefore able to move in.

In parallel, and under the terms of leasing guarantees to building buyers, new lease contracts have been signed for those A, B and D buildings, taking their occupancy rate to 97%, 95% and 53% respectively, leading to an additional positive impact on the 2017 results.

Regarding development of the last blocks (E and F) of the campus (45,000 m²), an application for planning permit was submitted in March, the aim being to start work before summer 2018.

ARENA BUSINESS CAMPUS (ABC, EX HUNGARIA 30) – Boulevard Hungaria, Budapest (75,500 m² of office)

The 19,000 m² site acquired last August will serve to build a campus of four office buildings totaling approximately 75,500 m² to be developed in phases. The permit application for the first building was filed in March so that construction can commence in the course of 2018.

In general, the economic outlook remains favorable and continues to have a positive influence on the office rental and investment market.

HERMES BUSINESS CAMPUS – Boulevard D. Pompeiu, Bucharest (73,180 m² of office space)

To date, the three buildings (72,000 m²) are fully leased, with the final spaces still being fitted out for tenants taking up occupancy in phases.

Steps are being taken to sell these buildings in an increasingly active investment market.

DACIA ONE – Intersection of Calea Victoria and Boulevard Dacia, CBD, Bucharest (15,000 m² of office space)

A first permit for the renovation of the listed building has been obtained and the renovation work is in progress. A permit application for the entire 15,800 m² of office space will be filed within the framework of a PUZ (Plan Urbanistique Zonal) in the coming months.

The lease market has also shown its interest in this ideally located project.

@EXPO – Avenue Expozitiei, Bucharest (44,000 m² of office space)

ATENOR, through its Romanian subsidiary, completed the purchase of a new site in Bucharest (Romania). It is located in the north western part of the city in the business district (Expozitiei/Piata Presei Libere) of the Romexpo exhibition centre. This will allow the development of an office complex of some 44,000 m², demonstrating yet again ATENOR's determination to pursue innovative property projects in a buoyant Romanian property market. An initial planning application will be submitted in the first half of 2018.

FINANCIAL INSTRUMENTS

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

STOCK OPTION PLANS

On 24 March 2017, ATENOR issued a new share option tranche (SOP 2017) for the subsidiary named Atenor Group Investments (AGI). The options issued on this subsidiary benefit to the members of the Executive Committee, personnel and service providers.

This SOP may be exercised during the three followings periods from 9 March to 31 March 2020, from 8 March to 31 March 2021 and from 8 to 31 March 2022.

On 8 March 2017, the Board of Directors, on the recommendation of the Remuneration Committee, distributed 980 Atenor Group Participation (AGP) shares in accordance with the remuneration policy described in the «Corporate Governance» section of our 2016 Annual Financial Report (page 63).

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 2017 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 S.A.)

ATENOR s.a.'s statutory annual accounts show a corporate profit for the tax year of € 6,531,310.53.

Apart from the operations reflected in the consolidated accounts, the 2017 profits/losses are primarily explained by the sales of the apartments of Palatium (Brussels), Au Fil des Grands Prés (Mons), La Sucrierie (Ath) projects, by the sales of long leases connected with the UP-site project and by management of general and structural expenses as well as financial charges primarily related to bond issues and to the EMTN programme.

Your Board proposes you to approve the annual accounts as at 31 December 2017 and allocate the corporate financial year's profit/loss of ATENOR s.a. as follows:

Loss for the year	€	-6,531,310.53
Profit carried forward from the previous year	€	30,095,635.89
Profit to be allocated	€	23,564,325.36
Directors' entitlements	€	316,000.00
Assignment to the legal reserve	€	138,274.42
Capital remuneration *	€	11,644,349.60
Profit to be carried forward	€	11,465,701.34

* Suspension of the right to the dividend of the own shares held by ATENOR s.a.

(32,831 on 16.02.2018), subject to the approval of the General Assembly

PROPOSED DIVIDEND AND DIVIDEND POLICY

The Board of Directors will propose, to the General Assembly of 27 April 2018, the payment (for the financial year 2017) of a gross dividend of 2.08 Euro per share (+2%), that is, a net dividend after withholding tax (30%) of 1.456 Euro per share.

Subject to the approval of the Ordinary General Assembly, the dividend will be paid out as from 3 May 2018 (*).

- Ex date	30 April 2018
- Record date	2 May 2018
- Payment date	3 May 2018

(* with the exception of the own shares whose dividend right will be suspended

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 referred to in Article 34 of the Royal Decree of 14 November 2007), reference is made to the corporate governance statement.

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

EVENTS AFTER THE CLOSING DATE

• As announced in the press release of 28 February, ATENOR has signed, through its new Polish subsidiary, a pre-agreement for the acquisition of emphyteutic lease rights to two office buildings of 30,500 m² offering annual rental income of approximately three million Euro. These offices, called «University Business Center», are located in the Mokotow quarter of Warsaw. This new acquisition strengthens Atenor's presence in Central Europe, the region recording the strongest economic growth.

• On 12 March 2018, ATENOR will issue a new stock option plan (SOP 2018) for the subsidiary named Atenor Group Investments (AGI).

The options issued on this subsidiary benefit to the members of the Executive Committee, personnel and service providers. This SOP may be exercised during the three periods following: from 8 March to 31 March 2021, from 8 March to 31 March 2022 and from 8 March to 31 March 2023.

No other important event occurring since 31 December 2017 must be noted.

PROSPECTS FOR THE FULL YEAR 2018

Real-estate markets in Europe are seeing positive development, driven by the prospect of return to growth.

As a major player in several markets, ATENOR should benefit from their positive development. 2018 will particularly see acceptance of the The One building in Brussels and the installation of the first lessees. The HBC buildings in Bucharest, which are entirely let, will be available for sale. In general, ATENOR will seize any opportunity to boost the value of its diversified portfolio.

ATENOR's results will also be driven, as last year, by sales of residential projects in and outside Brussels.

In addition, 2018 will be marked by the implementation (permit applications and start of construction) of several major projects in the portfolio.

Lastly, new investments will be considered as part of the ongoing buy-develop-sell process applied to projects corresponding to our strategy and to our international positioning.

Market conditions permitting, Atenor plans shortly to appeal to the market as part of a bond issue.

ATENOR will provide further information on its outlook over the year, based on changes in the portfolio.

PRINCIPAL RISKS AND UNCERTAINTIES

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

ATENOR 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 and its subsidiaries are subject.

The Board of Directors also presents a risk still facing ATENOR:

- The company Com.Realty (Michel Pilette) claims a commission on the sale of the TREBEL project signed with the European Parliament following the public call for projects. By a decision handed down on 28 November 2016, the Commercial Court dismissed all of this company's claims against ATENOR. Com.Realty has, however, appealed the decision and the proceedings are still pending on appeal. ATENOR considers these claims to be unfounded (as confirmed by the decision at first instance) and, accordingly, has not posted any provision in this respect.

Furthermore, the following risks are now closed:

- Within the framework of the President dispute, a settlement agreement was signed last December by Atenor Luxembourg and the temporary association of the contractors Soludec, CIT Blaton and Van Laere. Given the elements of the case and despite Atenor's solid position, Management decided to put an end to the dispute in order to focus on future challenges. The financial impact for Atenor is €2.78 million.
- As regards the construction of the PIXEL building (2007) in Luxembourg, general contractors Soludec and CIT Blaton issued a summons against ATENOR Luxembourg for reimbursement of penalties for which ATENOR 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, appealed this ruling and set aside

provisions in 2012 in the amount of 0.37 million Euro (plus legal interest). Pleadings on appeal took place on 8 January 2018 and the ruling handed down on 7 February 2018 ended the dispute within the limits of the above-mentioned provision.

ADMINISTRATION

- Your Board proposes that discharge would be granted to the directors and to the auditor for the financial year closed on 31 December 2017.
- On the proposal of the Appointments and Remuneration Committee, your board proposes to renew for a period of three years the mandates as director of Messrs. Frank Donck and Philippe Vastapane. These mandates, which could be remunerated, will expire at the end of the Ordinary General Assembly of 23 April 2021.
- On the proposal of the Appointments and Remuneration Committee, your board proposes that the mandate as independent director of Investea sprl represented by Emmanuèle Attout and of MG Praxis sprl represented by Michèle Grégoire would be renewed for a three years-period. These mandates, which could be remunerated, will expire at the end of the Ordinary General Assembly of 23 April 2021.
- On the proposal of the Appointments and Remuneration Committee, your board proposes the appointment of Christian Delaire in its capacity as Independent Director. This mandate with a duration of three years could be remunerated and will run out at the end of the General Assembly of 23 April 2021. The position of Independent Director is granted on the grounds that Mr Christian Delaire meets the criteria defined in Article 526ter of the Companies Code, as amended by the Act of December 17, 2008.
- On the proposal of the Audit Committee, your Board proposes to renew, for a period of three years, the mandate of the Auditor MAZARS – Company Auditors SCRL represented by Mr Xavier Doyen.

Following the Annual General Meeting of 27 April 2018, the terms of office of the Prince d'Arenberg, the Baron Bertrand and Mr De Pauw expired. We would like to pay tribute to each of them for their commitment throughout their respective terms of office and to thank them for contributing their collaboration and skills to the success of ATENOR. Their support was invaluable in the various stages of ATENOR's development.

La Hulpe, 8 March 2018

For the Board of Directors

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of EUR	Notes	2017	2016
Operating revenue	3 & 4	220 430	156 830
Turnover		209 730	141 421
Property rental income		10 700	15 409
Other operating income	3 & 4	8 558	8 847
Gain (loss) on disposals of financial assets		1 757	2 676
Other operating income		6 719	6 155
Gain (loss) on disposals of non-financial assets		82	16
Operating expenses (-)	3 & 4	-193 609	-130 324
Raw materials and consumables used (-)		-152 206	-102 162
Changes in inventories of finished goods and work in progress		10 922	14 145
Employee expenses (-)	5	-2 767	-3 583
Depreciation and amortization (-)		-269	-500
Impairments (-)		1 346	-8
Other operating expenses (-)	6	-50 635	-38 216
Result from operating activities - EBIT	3 & 4	35 379	35 353
Financial expenses (-)	7	-11 343	-10 200
Financial income	7	972	776
Share of profit (loss) from investments consolidated by the equity method		-466	-155
Profit (loss) before tax		24 542	25 774
Income tax expense (income) (-)	8	-2 480	-5 414
Profit (loss) after tax		22 062	20 360
Post-tax profit (loss) of discontinued operations		0	0
Profit (loss) of the period		22 062	20 360
Non controlling interests		-117	-15
Group profit (loss)		22 179	20 375
Earnings per share			
Total number of issued shares	9	5 631 076	5 631 076
of which own shares		198 622	174 735
Weighted average number of shares (excluding own shares)		5 451 285	5 456 769
Basic earnings	9	4.07	3.73 *
Diluted earnings per share	9	4.07	3.73 *
Proposal of gross dividend per share	9	2.08	2.04

In thousands of EUR	Notes	2017	2016
Other elements of the overall profit and losses			
Group share result		22 179	20 375
Items not to be reclassified to profit or loss in subsequent periods :			
Employee benefits		-140	-24
Items to be reclassified to profit or loss in subsequent periods :			
Translation adjustments		476	1 006
Cash flow hedge		0	0
Overall total results of the group		22 515	21 357
Overall profits and losses of the period attributable to third parties		-117	-15

(*) figures modified compared to the 2016 publication (calculation based on the average weighted number of shares, excluding own shares)

CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION

ASSETS

In thousands of EUR	Notes	2017	2016
Non-current assets		43 806	65 577
Property, plant and equipment	12	287	355
Intangible assets	11	327	2 564
of which goodwill		173	2 374
Investments consolidated by the equity method	13	20 123	20 589
Deferred tax assets	18	5 404	6 000
Other non-current financial assets	16	12 745	12 971
Non-current trade and other receivables	16	4 920	23 098
Current assets		549 374	620 513
Inventories	15	443 973	429 209
Other current financial assets	16	25 011	41 944
Current tax receivables	17	8 283	4 241
Current trade and other receivables	16	44 018	36 178
Current loans payments	17	221	185
Cash and cash equivalents	16	23 121	103 451
Other current assets	17	4 747	5 305
Total assets		593 180	686 090

LIABILITIES AND EQUITY

In thousands of EUR	Notes	2017	2016
Total equity		149 640	139 395
Group shareholders' equity		146 717	136 655
Issued capital	10	57 631	57 631
Reserves	10	97 281	86 116
Treasury shares (-)	9 & 10	-8 195	-7 092
Non controlling interests		2 923	2 740
Non-current liabilities		213 777	245 253
Non-current interest bearing borrowings	20	198 682	226 422
Non-current provisions	19	6 718	2 314
Pension obligation	22	476	335
Deferred tax liabilities	18	7 037	15 193
Current trade and other payables	20	0	195
Other non-current liabilities	20	864	794
Current liabilities		229 763	301 442
Current interest bearing debts	20	178 449	224 051
Current provisions	19	0	0
Current tax payables	21	4 930	4 243
Current trade and other payables	20 & 21	42 980	66 964
Other current liabilities	21	3 404	6 184
Total equity and liabilities		593 180	686 090

CONSOLIDATED CASH FLOW STATEMENT

(INDIRECT METHOD)

In thousands of EUR	Notes	2017	2016
Operating activities			
Net result		22 179	20 375
Result of non controlling interests		-117	-14
Result of Equity method Cies		466	155
Net finance cost		7 798	8 427
Income tax expense	7	10 054	5 315
Result for the year		40 380	34 258
Depreciation		269	500
Amortisation and impairment		-1 347	8
Translation adjustments		4 258	1 608
Provisions		4 410	-1 162
Deferred taxes	7	-7 574	99
(Profit)/Loss on disposal of fixed assets		-1 839	-2 692
SOP / IAS 19		-197	-294
<i>Adjustments for non cash items</i>		<i>-2 020</i>	<i>-1 933</i>
Variation of inventories		-14 090	-39 782
Variation of trade and other amounts receivables		7 314	65 129
Variation of trade payables		3 890	5 663
Variation of amounts payable regarding wage taxes		248	-25
Variation of other receivables and payables		-28 775	4 220
<i>Net variation on working capital</i>		<i>-31 413</i>	<i>35 205</i>
Interests received		971	775
Income tax (paid) received		-9 829	-6 468
Cash from operating activities (+/-)		-1 911	61 837
Investment activities			
Acquisitions of intangible and tangible fixed assets		-165	-277
Acquisitions of financial investments			-5 500
New loans		-688	-3 615
<i>Subtotal of acquired investments</i>		<i>-853</i>	<i>-9 392</i>
Disposals of intangible and tangible fixed assets		81	44
Disposals of financial investments			
Reimbursement of loans		910	19 765
<i>Subtotal of disinvestments</i>		<i>991</i>	<i>19 809</i>
Cash from investment activities (+/-)		138	10 417
Financial activities			
Increase in capital		300	0
Treasury shares		-1 124	-422
Proceeds from borrowings	20	45 815	165 492
Repayment of borrowings	20	-119 209	-95 645
Interests paid		-9 615	-8 964
Dividends paid to company's shareholders	6	-11 154	-10 911
Directors' entitlements		-316	-316
Cash from financial activities (+/-)		-95 303	49 234
Net cash variation		-97 076	121 488
Cash and cash equivalent at the beginning of the year		145 396	23 158
Net variation in cash and cash equivalent		-97 076	121 488
Non cash variations (Cur. conversion, chge in scope, etc...)		-188	750
Cash and cash equivalent at end of the year	4	48 132	145 396

The highlights of the 2017 cash flows are mainly found in the «cash from financing activities», a decrease of 95.3 million Euro following the net repayments of loans of 73.39 million Euro including the bond of 60 million Euro maturing in October, and the payment of the dividend during the year (11.15 million Euro).

The operating cash does not record any significant net movement and remains stable (-1.9 million Euro) – just like the cash from investment activities (+0.14 million Euro) – the operating result for the year (40.38 million Euro) being mainly offset by the operating working capital following disposals and the continuation of projects under development (-31.41 million Euro) as well as taxes paid (-9.83 million Euro).

As a reminder: the cash flows in 2016 were mainly in the «operating cash flow», as a result of:

- The operating profit for the year (+34.26 million Euro);
- The continuation of the works on the 10 projects under construction

through the “variation of inventories” entry (-39.78 million Euro);

- The payment of the receivables from the European Parliament and the acquirers of the Air Properties shares («variation in (other) receivables» entry (+69.35 million Euro);

Moreover, the increases in the “cash from investment activities” (+10.42 million Euro) and the “cash from financing activities” (+49.23 million Euro) mainly reflected:

- the acquisition of the Naos participation (-5.5 million Euro) offset by the net repayment of advances to companies consolidated by the equity method (+16.15 million Euro) following, in particular, the sale of Air Properties;
- the positive change in borrowings (+69.85 million Euro) essentially corresponding to the four EMTN issues for 86.1 million Euro, offset by the interest payments (-8.96 million Euro) relating to the group's financing as well as by the payment of dividends (-10.91 million Euro).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of EUR	Notes	Issued capital	Hedging reserves	Own shares	Consolidated reserves	Profit/loss of the period	IAS 19R reserves	Cumulative translation adjustments	Minority interests	Total Equity
2016										
Balance as of 01.01.2016		57 631	-	-6 796	92 993	-	-267	-16 762	-	126 799
Profit/loss of the period		-	-	-	-	20 375	-	-	(15)	20 360
Other elements of the overall results	2	-	-	-	-	-	(24)	1 006	-	982
Total comprehensive income		-	-	-	-	20 375	(24)	1 006	(15)	21 342
Capital increase		-	-	-	-	-	-	-	-	-
Paid dividends		-	-	-	-10 911	-	-	-	-	-10 911
Own shares	1	-	-	-296	-	-	-	-	-	-296
Share based payment		-	-	-	-294	-	-	-	-	-294
Others		-	-	-	-	-	-	-	2 755	2 755
Balance as of 31.12.2016		57 631	-	-7 092	81 788	20 375	-291	-15 756	2 740	139 395
2017										
Balance as of 01.01.2017		57 631	-	-7 092	102 163	-	-291	-15 756	2 740	139 395
Profit/loss of the period		-	-	-	-	22 179	-	-	-117	22 062
Other elements of the overall results	2	-	-	-	-	-	-140	476	-	336
Total comprehensive income		-	-	-	-	22 179	-140	476	-117	22 398
Capital increase		-	-	-	-	-	-	-	-	-
Paid dividends		-	-	-	-11 154	-	-	-	-	-11 154
Own shares	1	-	-	-1 103	-	-	-	-	-	-1 103
Share based payment		-	-	-	-196	-	-	-	-	-196
Others		-	-	-	-	-	-	-	300	300
Balance as of 31.12.2017		57 631	-	-8 195	90 813	22 179	-431	-15 280	2 923	149 640

(1) See note 10 (Capital) and note 22 (Employee benefits)

(2) In 2008, the Group acquired Hungarian and Romanian companies. ATENOR opted for the use of the local currency as the functional currency in each of these countries. The positive translation adjustments of the period noted in the shareholders' equity are primarily the consequence of the sale of Vaci Greens buildings (A, B and D) and the recycling into the income statement of the conversion differences related to it. Also see note 16 (Financial assets) and note 2 (Risks management).

The change in equity for the 2017 financial year does not call for particular comment; it is essentially marked by the result for the year (22.06 million Euro) reduced by the payment of dividends

(-11.15 million Euro) as well as the purchase of own shares (-1.1 million Euro).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – MAIN ACCOUNTING METHODS

1. ACCOUNTING BASIS

The consolidated financial statements on 31 December 2017 were prepared in compliance with the IFRS (International Financial Reporting Standards) as adopted in the European Union.

The accounting principles applicable to the preparation and the presentation of consolidated financial statements on 31 December 2017 have not been altered from those used for the preparation and the presentation of consolidated financial statements on 31 December 2016.

Standards and interpretations became effective on a mandatory basis in 2017 in the European Union:

- IAS 12 – Amendments to IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses
- IAS 7 – Amendments to IAS 7 – Statement of Cash Flows – Disclosure Initiative

None of the new IFRS standards and IFRIC interpretations and amendments of the old standards and interpretations, applied for the first time in 2017, had any significant direct impact on the figures reported by the Company.

New or amended standards and interpretations that come into effect after 31 December 2017

- IFRS 9 – Financial Instruments (not authorized)
- IFRS 9 – Amendments to IFRS 9 – Early repayment clauses (not authorized)
- IFRS 4 – Amendments to IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (not authorized)
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 15 – Amendments to IFRS 15 – Clarifications of IFRS
- IFRS 16 – Leases (not authorized)
- IFRS 17 – Insurance contracts (not authorized)
- Improvements to IFRS (2014-2016)
- IAS 40 – Amendments to IAS 40 – Transfers of Investment Property
- IFRS 2 – Amendments to IFRS 2 – Clarifications of classification and measurement of share based payment transactions
- IAS 28 – Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration
- IFRIC 23 – Uncertainty over Income Tax Treatments

IFRS 15, Revenue from Contracts with Customers

This new standard, ratified by the European Union came into effect as from 1 January 2018. It describes a single comprehensive framework that entities must use to recognise revenue from contracts with customers and in the case of ATENOR, where appropriate, with its investors.

It replaces the existing standards on revenue recognition, including «IAS 18 – Revenue» and «IAS 11 – Construction contracts» and related interpretations.

The European (ESMA) and Belgian (FSMA) regulators published in July 2016 their recommendations for the implementation and integration of this standard in the consolidated accounts.

The fundamental principle the IFRS poses is that ATENOR should recognise revenue in order to show when assets are provided to customers (buyers or investors in office buildings, apartments or in companies) and the amount of consideration that ATENOR expects to recognise in exchange for such disposals. This fundamental principle is presented as a five-step model:

1. Identify contracts with customers or investors;
2. Identify performance obligations in the contract;
3. Determine the transaction price;
4. Distribute the transaction price between the different performance obligations in the contract;
5. Recognise revenue when ATENOR fulfils (or as it progressively fulfils) a performance obligation.

After the closing of the accounts on 31 December 2017 and the identification of transactions impacted by this new standard, ATENOR has assessed the impact of the entry into force of the standard starting 1 January 2018 at 1 million Euro net of taxes on its 2018 consolidated financial statements. Recognition of this retrospective and cumulative difference will reduce the opening equity starting 1 January 2018 (in accordance with Annex C§c3b of the standard), and the difference will be absorbed over 2018 when buildings under construction are completed.

ATENOR has not adopted these new or amended standards and interpretations in advance. ATENOR 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 1st January 2018 should not have a significant impact on the consolidated financial statements of ATENOR.

The consolidated financial statements of the Group were made up by the Board of Directors on 6 March 2018.

2. CONSOLIDATION PRINCIPLES AND SIGNIFICANT ACCOUNTING PRINCIPLES

The consolidated financial statements include the financial statements of ATENOR 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 land, 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 activated 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 of 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 recognised 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. PROPERTIES AND INVESTMENTS PROPERTIES

ATENOR'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 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 opts 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 cost of an investment property includes its purchase price and all directly attributable expenses. Directly attributable expenses are, for example, legal fees, transfer duties and other transaction costs. After being recorded as an asset, a placement property measured according to the «cost model» is booked at its cost reduced by the accumulated depreciations and the accumulated losses of value (see point 2.3 - Losses of value on tangible fixed assets). 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 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 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 (utility value) or their sale (fair value less sale costs).

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 (CGU) 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.

The *fair value* is the price that would be received for the sale of an asset or paid for the transfer of a liability on a normal transaction between market participants on the evaluation date.

The *utility value* is the current value of the future cash flows likely to result from an asset or a UGT.

A *loss of value* is the amount by which an asset's or UGT's book value exceeds its recoverable value.

When a loss of value is recovered later, the accounting value of the asset or of a CGU 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 or this CGU 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. ATENOR carries out annually 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

The inventories are valued at the lowest at cost and the net marketable value. The net realisable 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.

The amount of any write-downs to bring stocks down to their net execution value and any "stock" losses are booked as expenses for the period in which the write-down or loss occurs. The amount of any reversals of "stock" depreciations resulting from an increase in the net execution value is booked as a reduction of the amount of stocks booked in expenses in the period in which the reversal occurs.

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 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.

Insofar as risks and undertakings are concerned for which an actual disbursement is disputed and judged not very probable, ATENOR will provide qualitative indications in notes 2, 23 and 25 (Risks Management, Disputes and Rights and obligations).

2.8. LIQUIDITY AND FINANCING RISK

The Group obtains its financing from various leading national and international banking partners, with which it enjoys strong and

longstanding relations enabling the Group to confront any liquidity or financing problems that might arise.

The Group has diversified its sources of financing since 1999 by pursuing a programme of short, medium and long-term commercial paper (CP/MTN) marketed to institutional investors both private and public.

The Group follows an active communication policy in order provide financial market players with as much information as possible and mitigate any lack of liquidity on the money market or any crisis unconnected with the position and activities of ATENOR.

Where necessary, ATENOR engages in the issuance of bonds (in addition to the CP/MTN Programme), in the course of which ATENOR has never been in default. ATENOR has expanded its financing resources by launching an EMTN programme.

ATENOR and its subsidiaries obtain the financing necessary to carry out the construction of their property projects. This financing is designed to cover the entire construction period with the aim of reaching the marketing stage within a reasonable time scale, generally one year, from the completion of works. As part of that financing, assets under construction and shares in ATENOR subsidiaries are generally pledged to bank lenders (see note 20).

2.9. 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 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.

2.10. 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.

2.11. EXCHANGE RATE RISK

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 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.

For more information, please refer to "Note 16 - Current and non-current financial assets".

2.12. SEGMENT REPORTING

Segment information is prepared, both for internal reporting and external disclosure, on a single sector of activity, i.e. real-estate development projects (office and residential buildings). This activity is presented, managed and monitored by project. The various project committees, the Executive Committee and the Board of Directors are responsible for monitoring the various projects and assessing their performances.

2.13. INCOME FROM ACTIVITIES

ATENOR 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, to be built or to be completed in the future.

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 (Revenue from ordinary operations - service provision 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. Income is recognised to the extent that it can be considered as definitively acquired with deduction of all reasonably foreseeable charges associated with the obligations assumed by ATENOR in respect of the acquirer, in particular as regards the construction and the letting of the building.

The share of income 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 that 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 or on completion, according to whether the risks and benefits are transferred to the buyer during or following the building. The recognition of income on progress, in the context of a sale of assets, supposes a continuous transfer of the risks and rewards of ownership of the works in progress as the building work progresses. The degree of progress of works can be determined in various ways. ATENOR uses the method that reliably measures the works executed. The methods selected may include, according to the type of contract:

- the relationship that exists between the costs incurred for the works executed up to the date in question and the total estimated costs of the contract;
- the examination of the executed works and their respective contribution to value creation; or
- the progress, in physical terms, of part of the works of the contract.

The progress of the payments and advances received from customers does not necessarily reflect the works executed.

2.14. TAXES AND DEFERRED 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 at the closing date.

Deferred taxes are recognised on all taxable or deductible time differences, except the initial booking

- of the goodwill
- of an asset or liability in a transaction that is not a company consolidation and that affects neither the accounting profit nor the taxable profit.

In the event of an acquisition of (real-estate) assets that does not constitute a «business combination» (2.4 above), no deferred tax is recognised and the asset is recognised at its fair value plus the price difference part if any.

The time differences are the differences between an asset's book value or of a balance sheet liability and its tax base.

A deferred tax liability must be booked for all the taxable time differences. A deferred tax asset must be booked for all the deductible time differences insofar as it is probable that a taxable benefit, on which these deductible time differences may be assigned, will be available.

Deferred tax assets concerning deferrals of tax losses and tax credits are not recognised insofar as there are convincing indications that future taxable benefits will be available to use these tax assets. On each closing date, ATENOR reconsiders the deferred tax assets, whether recognised or not, on the basis of the future profitability indications of the companies concerned.

The deferred tax is calculated at the applicable tax rate.

2.15. 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 with a minimum guaranteed yield in accordance with the Belgian legislation, 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 these plans, the intrinsic value approach is used to determine whether a pension liability should be recognised or not. According to this method, the liabilities correspond to the sum of all the individual differences between the mathematical reserves (reserve calculated by capitalising past contributions at the technical interest rate applied by the insurer, taking into account the profit sharing) and the minimum legal performance guarantee.

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 updated version of the defined benefit obligation is determined by updating the future cash flows, estimated on the basis of high-quality corporate bonds denominated in the currency in which the benefit must be paid and whose due dates are near to those of the corresponding liabilities for the pension scheme.

The re-evaluation includes the actuarial gains and losses (where applicable) and the yield of the plan's assets (before interest) which are immediately entered in the statement of financial position, recording a debit or credit in the other items of the overall result for the period in which they occur. The re-evaluation booked in the «Other overall result» heading is not reclassified in results.

The past service cost is booked in the result for the period in which

the plan was modified. The net interest is booked in result and calculated by applying the update rate to the liabilities or assets for the defined services.

2.16. STOCK OPTIONS PLANS FOR EMPLOYEES AND OTHER PAYMENTS BASED ON SHARES

The Group has issued several plans for remuneration connected with the company's securities 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 beneficiaries 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. When the options reach maturity (without being exercised), the own funds will be corrected without any impact on the result. 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 (and more particularly those that are linked to the recoverable tax losses and credits) 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 on completion 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 is thus a party as a defendant in several judicial proceedings whose foundation the company disputes and that in its opinion should not give rise to an actual significant disbursement for the Group and consequently not give rise to the setting aside of provisions.
- Any value adjustments: depreciations on stocks and losses of value on fixed assets (including goodwill) are subject to the appraisal of the management body on the basis of the principles set out in point 2.

NOTE 2 – RISK MANAGEMENT

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

ATENOR is faced with 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 financial markets fundamentals, 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 and its subsidiaries are subject.

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 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 25 years, ATENOR 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 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's results would have to be revised downward as a consequence.

Risk connected with the development activity

Before every project acquisition, ATENOR 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 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 constitutes an important criterion in its strategy. In spite of everything, these choices remain a risk that ATENOR 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 which the promoter is confronted with. To handle these specific risks, over many years ATENOR has established systems of control and has employees who are experienced in the development of offices and residential units.

Risks connected with urban planning rules

The Group is obliged 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 has acquired a plot. Land allocation on the scale authorised could thus be subject to major changes in comparison with the expectations of ATENOR. 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, there may be delays in the implementation and the start-up of a project. ATENOR 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 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

The Group and its subsidiaries producing real estate developments in Belgium, the Grand Duchy of Luxembourg, Romania and Hungary are exposed to risks connected with amendments to the laws relating to direct and indirect taxes in these countries. For 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 precautions taken by ATENOR in the choice of investors that are candidates for buying a project, and in spite of the attention paid 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's results could be affected.

NOTE 3 – SEGMENT REPORTING

In thousands of EUR	Notes	2017	2016
Revenue		220 430	156 830
Other operating income		8 558	8 847
Purchases and changes in inventories		-141 284	-88 017
Employee expenses		-2 767	-3 583
Depreciation and impairments		1 077	-508
Other operating expenses		-50 635	-38 216
Result from operating activities EBIT		35 379	35 353
Net interests		-10 371	-9 424
Result of investments consolidated by the equity method		-466	-155
Income taxes		-2 480	-5 414
Profit (loss) after tax		22 062	20 360
Non controlling interests		-117	-15
Net result (group share)		22 179	20 375
EBITDA	(1)	34 302	35 861
Current cash flow	(2)	25 511	19 721
Assets		593 180	686 090
of which investments consolidated by the equity method		20 123	20 589
Liabilities		443 540	546 695

(1) EBIT + depreciation and impairments

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

See Note 1 (Main accounting methods – Paragraph 2.12).

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

Of a total of 220.43 million Euro revenue from ordinary activities, three transactions exceed 10 %. This concerns the sale of buildings A, B and D (D being in a state of future completion) of the Vaci Greens project (Budapest) to various Hungarian purchasers for 33.19, 63.49 and 33.63 million Euro, respectively. These sales represent 15.1%, 28.8% and 15.3% respectively of the total revenue from the ordinary activities.

NOTE 4 – OPERATING RESULTS

In thousands of EUR	2017	2016
Total of the ordinary revenue	220 430	156 830
of which turnover	209 730	141 421
of which investment property rental income	10 700	15 409
Total of the other operating income	8 558	8 847
of which gain (loss) on disposals of financial assets	1 757	2 676
of which other operating income	6 719	6 155
of which gain (loss) on disposals of non-financial assets	82	16
Total of the operating charges	-193 609	-130 324
Result of operating activities	35 379	35 353

The turnover stands at 209.73 million Euro (68.31 million Euro higher than 2016). It mainly includes: (a) the income generated by the sale of buildings A, B and D of the Vaci Greens project in Budapest (130.31 million Euro), (b) the last tranche of the CBC project in Namur following the delivery of the building (11.21 million Euro), (c) the income related to the sales of the apartments of the Palatium in Brussels (21.74 million Euro), Au Fil des Grands Prés in Mons (13.76 million Euro), UP-site in Brussels (8.10 million Euro), Les Brasseries de Neudorf in Luxembourg (7.34 million Euro), and The One in Brussels (5.88 million Euro) projects.

The decrease in property rental (-4.71 million Euro) is mainly the result of the sale of the Vaci Greens C, A and B buildings in December 2016, February 2017 and March 2017, partially offset by increase in the rents for the three Hermès Business Campus buildings following the taking up of occupation of the third building by Genpact in January 2017 and secondly, by an occupancy rate reaching 100% at the end of the year. The rents from the Nysdam provide additional rental income (0.94 million Euro).

The other operating income (8.56 million Euro) mainly includes the re-invoicing of rental charges and other expenses for leased properties (5.33 million Euro) as well as the capital gain on the disposal of the Senior Island participation (City Dox project) according to the progress of the construction of the nursing home (1.76 million Euro).

To recap, the turnover in 2016 came mainly from (a) the revenue arising from the sale of building C of the Vaci Greens project in Budapest (€44.25 M), (b) the revenue linked to the sales of the apartments of the projects Port du Bon Dieu in Namur (€15.32 M), Les Brasseries de Neudorf in Luxembourg (€14.84 M), Au Fil des Grands Prés in Mons (€13.01 M), UP-site in Brussels (€11.50 M) and La Sucrerie in Ath (€6.74 M) as well as (c) the last tranche of the Trebel project in Brussels (€17.61 M).

The operating result amounts to 35.38 million Euro, mainly influenced by the sale of buildings A, B and D of the Vaci Greens project (Budapest, 24.68 million Euro), by the contribution of the CBC project delivered to the Bank (€2.27 M) as well as apartment sales from various residential projects, mainly Palatium (Brussels), Au Fil des Grands Prés (Mons) and City Dox (Anderlecht) for 3.95 million Euro, 2.63 million Euro, and 1.1 million Euro, respectively.

The rental income net of charges for the HBC (Bucharest, 8.42 million Euro) and Nysdam (La Hulpe, 0.66 million Euro) properties, as well as the sale of the Senior Island participation in Anderlecht (City Dox project; 1.76 million Euros) give an additional contribution to the result.

Operating charges – see notes 5 and 6.

NOTE 5 – PERSONNEL CHARGES

In thousands of EUR	2017	2016
Wages and salaries	-2 125	-2 941
Social security contributions	-414	-471
Other personnel charges	-228	-171
Total personnel charges	-2 767	-3 583
Employment in full-time equivalents	2017	2016
Average number of workers	28.0	25.5

The personnel charges decrease with respect to the previous financial year (-0.82 million Euro), essentially due to the lesser charge in 2017 for the Atenor and AGI SOPs compared to 2016 (-0.79 million Euro).

Four new employees joined the group in 2017. This represents in average FTE for the year, an increase of 2.5 persons compared to 2016.

NOTE 6 – OTHER OPERATING EXPENSES

In thousands of EUR	2017	2016
Services and other goods	-30 917	-31 711
Provisions (increase/amounts written back)	-4 410	1 162
Other charges	-11 049	-6 053
Loss (exchange costs)	-4 259	-1 614
Total	-50 635	-38 216

"Other operating expenses" increase compared to 2016 (12.42 million Euro).

The main variations are essentially in the following items:

- "Provisions": as part of the sale of the Hungarian buildings, provisions have been booked to guarantee the rental returns on the areas still vacant on 31 December 2017 (5.27 million Euros), offset by the UP³ revenue guarantees (-0.89 million Euro). As a reminder, in 2016, the provision for the D-Facto dispute was reversed following the final and favorable pronouncement (1.05 million Euro);
- "Other charges": the increase in this item results mainly from the

settlement of the PRESIDENT litigation following the agreement reached between the parties in December 2017 (2.74 million Euro), the costs of fit out works in buildings sold in Hungary (2.15 million Euro), as well as taxes and fees related to acquisitions during the year (1.69 million Euro);

• "Losses / foreign exchange costs": the increase in losses and exchange costs reflects conversion differences (IAS 21) booked to advances reimbursed by the Hungarian subsidiaries being expensed following the sale of Vaci Greens buildings A, B and D (3.58 million Euro).

NOTE 7 – FINANCIAL RESULTS

In thousands of EUR	2017	2016
Interest expenses	-11 668	-11 387
Activated interests on projects in development (IAS 23)	2 899	2 185
Other financial expenses	-2 574	-998
Interest income	971	775
Other financial income	1	1
Total financial results	-10 371	-9 424

In 2017, the net financial costs amount to 10.37 million Euro, compared to 9.42 million Euro in 2016. The increase in the average net debt of the Group coupled with impairments booked on securities compared to the previous financial year explains the general increase in this item.

The financial result mainly includes on the one hand the net interests connected with the two bond issues (3.51 million Euro), to the bank financing and via CP and MTN of ATENOR (5.34 million Euro) as well

as the funding of projects in NGY (1.02 million Euro) and Leaselex (0.48 million Euro) and on the other hand, the capitalization of financial charges (IAS 23) related to the projects: The One (1.7 million Euro), Vaci Greens D (0.41 million Euro) and City Dox (0.26 million Euro).

Please also refer to the "Consolidated Statement of Cash Flows" and Note 20 on the "Financial liabilities".

NOTE 8 - INCOME TAXES AND DEFERRED TAXES

In thousands of EUR	2017	2016
I. Income tax expense / Income - current and deferred		
Income tax expense / Income - current		
Current period tax expense	-10 238	-5 308
Adjustments to tax expense/income of prior periods	184	-7
Total current tax expense, net	-10 054	-5 315
Income tax expense / Income - Deferred		
Related to the current period	10 034	-4 265
Related to tax losses	-2 460	4 166
Total deferred tax expense	7 574	-99
Total current and deferred tax expense	-2 480	-5 414
II. Reconciliation of statutory tax to effective tax		
Profit before taxes	24 542	25 774
Statutory tax rate	33,99%	33,99%
Tax expense using statutory rate	-8 342	-8 761
Tax adjustments to		
- results of prior periods / increases	91	-73
- non-taxable revenues	449	1 076
- non-tax deductible expenses	-3 419	-2 110
- recognising deferred taxes on previously unrecognised tax losses	1 054	609
- on deferred tax assets and deferred taxes liabilities	2 847	2 181
- on taxable revenues with a different rate ⁽¹⁾	7 215	3 563
- not booked deferred tax assets of the period	-1 558	-1 841
- impact of the decrease of the tax rate ⁽²⁾	146	
- other adjustments	-963	-58
Tax expense using effective rate	-2 480	-5 414
Profit before taxes	24 542	25 774
Effective tax rate	10.10%	21.00%

(1) Rate in our subsidiaries abroad

(2) 29,58% or 25%

Rate in our subsidiaries abroad:	2017	2016
Luxembourg	29.33%	29.33%
Romania	16.00%	16.00%
Hungary - (10 % up to 500 000 000 HUF)	9.00%	19.00% ⁽³⁾
France ⁽³⁾	33.33%	

(3) 10% up to 500,000,000 HUF

In 2017, ATENOR's tax liability consists of the current taxes and deferred taxes of -10.05 and 7.57 million Euro respectively. These amounts mainly relate to:

- The net tax expenses of CPPM (-0.83 million Euro), Mons Properties (-0.46 million Euro) and HFI (-0.23 million Euro) which consist of the statutory income tax for the financial year, -0.93, -0.80 and -4.69 million Euro respectively offset by deferred tax income of 0.10, 0.34, and 4.46 million Euro;
- The current taxes for the financial year of the companies Drews City Tower (-2.19 million Euro) and City View Tower (-1.29 million Euro) offset by the reversal of the DTL recorded at the acquisition of 1.5 and 1.2 million Euro, respectively;

- The deferred tax expense related to the income on progress of building D of the Vaci Greens project (-0.62 million Euro);
- The total net positive impact of 0.15 million Euro from the tax reform adopted at the end of the year in Belgium and the reduction in the corporate tax rate. Based on the outlook of expected results, both deferred tax assets and liabilities have been, as necessary, adjusted to the new rates (29.58% and 25% from 2020).

NOTE 9 - RESULT AND DIVIDEND PER SHARE

Number of shares profiting from the dividend (*)	5 595 881
Amount of dividends distributed after the closing date (in thousands of euros)	11 639
Gross dividend per share (in euro)	2.08

(*) subject to the approbation of the General Meeting

As there are no potential dilutive ordinary shares, the basic earnings per share are identical to the diluted earnings per share.

Given the weighted number of shares excluding own shares, the basic and diluted earnings per share are determined as follows:

Basic earnings and diluted earnings per share are determined following :	2017	2016
Total number of issued shares	5 631 076	5 631 076
of which own shares	198 622	174 735
Weighted average number of shares (excluding own shares)	5 451 285	5 456 769
Net consolidated result-group share (in thousands of euros)	22 179	20 375
Basic earnings (in euros)	4.07	3.73
Diluted earnings per share (in euros)	4.07	3.73

The gross dividend proposed at the Annual General Meeting of 27 April 2018 will amount to 2.08 Euro and will be paid as from 3 May 2018. The withholding tax amounts to 30%.

As a reminder: it is to be noted that as from 1 January 2013, the government has eliminated the tax benefit attached to the holding of VVPR strips and has, from 1st January 2017, increased the basic rate of the withholding tax from 27 to 30%.

In thousands of EUR	2017	2016
Dividends on ordinary shares declared and paid during the period:	11 154	10 911

In 2015, as in 2014 and 2013, the optional dividend has been chosen by a majority of shareholders (to a maximum of 76% in 2013, 82.11% in 2014 and 79.69% in 2015) contributing their receivable dividend to the capital increase executed on 21 May 2015.

Reminder: final gross dividend per share for 2017 amounts to 2.08 Euro and 2.04 Euro for 2016, from 2010 to 2015: 2.00 Euro, for 2007 to 2009: 2.60 Euro and for 2006: 1.30 Euro.

NOTE 10 – CAPITAL

STRUCTURE OF SHAREHOLDERS

On 31 December 2017, the structure of shareholding is as follows

	Number of shares	Holdings in %	Of which shares forming part of the joined shareholding	Holdings in %
ALVA s.a. ⁽¹⁾	521 437	9.26	437 500	7.77
LUXEMPART s.a. ⁽¹⁾	600 247	10.66	437 500	7.77
3D n.v. ⁽¹⁾	695 643	12.35	437 500	7.77
SOFINIM n.v. ⁽¹⁾	592 880	10.53	437 500	7.77
Stéphan SONNEVILLE s.a. ⁽¹⁾⁽²⁾	241 030	4.28	150 500	2.67
Sub-total	2 651 237	47.08	1 900 500	33.75
Own shares	35 195	0.63		
Treasury shares	163 427	2.90		
Public	2 781 217	49.39		
Total	5 631 076	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.

Movements of number of shares	Ordinary shares
Number of shares on 31.12.2017, issued and fully paid	5 631 076
of which own shares	35 195
Total of issued shares profiting from 2017 dividend⁽¹⁾	5 595 881

(1) Subject to approval by the general shareholders meeting of the allocation of income attributing a gross dividend of 2.08 euro.

Movements in own and treasury shares	Amount (in thousands of EUR)	Number shares
On 01.01.2017 (average price : € 40.59 per share)	7 092	174 735
Movements during the period:		
- acquisitions	1 857	40 442
- sales	-755	-16 555
On 31.12.2017 (average price : € 41.26 per share)⁽¹⁾	8 195	198 622

(1) Following various acquisitions and sales of shares during 2017, ATENOR s.a. holds, on 31 December 2017, 35,195 own shares (compared with 11,308 on 31 December 2016).

The Atenor Group Investments subsidiary owns 163,427 ATENOR shares (situation unchanged compared with December 2016).

Please refer to Note 22 (employee benefits) for the stock option plans.

Capital management

On 31 December 2017, equity amounts to 149.64 million Euro, and balance sheet total to 593.18 million Euro.

As an independent developer of real estate projects, ATENOR is not subject to any capital requirements. ATENOR hopes to maintain a reasonable ratio between the invested capital and the balance sheet total. Members of the Executive Committee, among other things, see to regularly inform the Board of Directors and the Audit Committee

of the development of the balance sheet and its components in such a way as to control the group's net indebtedness.

ATENOR's policy aims at maintaining a healthy balance sheet structure. Note 20 provides more detailed information on the Group's indebtedness policy.

NOTE 11 – GOODWILL AND OTHER INTANGIBLE ASSETS

In thousands of EUR	2017		
	Goodwill	Software	Total
Movements in goodwills and other intangible assets			
Gross book value as at 01.01.2017	8 582	288	8 870
Cumulated depreciations as at 01.01.2017	-1 748	-98	-1 846
Cumulated losses of value as at 01.01.2017	-4 460		-4 460
Goodwills and other intangible assets, beginning balance	2 374	190	2 564
Investments		30	30
Disposals - deallocation (-)	-2 217		-2 217
Depreciations - dotation (-)		-66	-66
Depreciations - reversal (+)	4		4
Impairment (loss) reversal recognised in income			
Foreign currency exchange increase (decrease)	12		12
Goodwills and other intangible assets, ending balance	173	154	327
Gross book value as at 31.12.2017	6 376	318	6 694
Cumulated depreciations as at 31.12.2017	-1 744	-164	-1 908
Cumulated losses of value as at 31.12.2017	-4 460		-4 460
Goodwills and other intangible assets, ending balance	173	154	327

In thousands of EUR	2016		
	Goodwill	Software	Total
Movements in goodwills and other intangible assets			
Gross book value as at 01.01.2016	9 513	158	9 671
Cumulated depreciations as at 01.01.2016	-1 755	-57	-1 812
Cumulated losses of value as at 01.01.2016	-4 460		-4 460
Goodwills and other intangible assets, beginning balance	3 297	101	3 398
Investments		132	132
Disposals - deallocation (-)	-949	-2	-951
Depreciations - dotation (-)	7	-43	-36
Depreciations - reversal (+)		2	2
Foreign currency exchange increase (decrease)	18		18
Goodwills and other intangible assets, ending balance	2 374	190	2 564
Gross book value as at 31.12.2016	8 582	288	8 870
Cumulated depreciations as at 31.12.2016	-1 748	-98	-1 846
Cumulated losses of value as at 31.12.2016	-4 460		-4 460
Goodwills and other intangible assets, ending balance	2 374	190	2 564

For each project, the company estimates the recoverable value of the assets or group of assets concerned (including the goodwill), i.e. here the "fair value less the sale costs". The loss of value test on these goodwill items consists in checking, through feasibility studies, that the recoverable value of the assets or groups of assets concerned is above their accounting value. All the feasibility¹ calculation hypotheses are periodically reviewed by members of the Executive Committee and submitted to the Audit Committee and to the Board of Directors. Drawn up on the basis of the Group's best current knowledge, feasibility studies lead ATENOR to consider that the forecasts for these projects should enable it to cover at least the value invested in the assets or groups of assets concerned.

Two real estate projects are concerned by the goodwill that figures in the balance sheet (0.17 million Euro on 31 December 2017), i.e. the UP-site project in Brussels (82 thousand Euro) and the Váci Greens project in Budapest (90 thousand million Euro). This goodwill concern the acquisitions of entities (treated at the time

as a joint venture in the sense of IFRS 3) whose unique activity is currently the development of their real estate assets. The residual value of this goodwill will thus necessarily be covered via and jointly with the sale of these real estate projects booked and maintained in inventories. The goodwill is a component of the cost of these projects and their recoverable value is incorporated in the feasibility studies in the same way as all other development costs.

During the 2017 fiscal year, the sales of the Váci Greens project buildings (A, B and D) and the UP-site project apartments have resulted in a goodwill reduction of 2.2 million Euro.

As a reminder, in 2016, the sale of building C of the Váci Greens project and of the apartments of the UP-site project resulted in a reduction of goodwill of 0.93 million Euro.

1. The feasibilities reflect the components of the cost price, the sensitivity to costs (€/m²), the yield (%), for lease (offices), the sale price (apartments, shops) and any other parameter that may influence the recoverable amount.

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT

In thousands of EUR	2017						Total
	Construc- tions in progress	Land and buildings	Plant and equipment	Motor vehicles	Fixtures and fittings	Other property, plant and equipment	
Movements in property, plant and equipment							
Gross book value as at 01.01.2017			1	188	684	1 578	2 451
Cumulated depreciations as at 01.01.2017				-134	-495	-1 466	-2 094
Property, plant and equipment, beginning balance	0	0	1	53	189	112	356
Investments			1		90	45	136
Disposals / deallocation (-)				-31	-5	-1 060	-1 096
Depreciation - dotation (-)			-1	-35	-70	-98	-204
Depreciation - reversal (-)				31	5	1 060	1 096
Property, plant and equipment, ending balance	0	0	1	18	209	59	287
Gross book value as at 31.12.2017			2	156	769	563	1 490
Cumulated depreciations as at 31.12.2017			-1	-138	-560	-504	-1 203
Property, plant and equipment, ending balance	0	0	1	18	209	59	287

The "Property, plant and equipment" entry amounts to 0.29 million Euro at 31 December 2017 (compared with 0.36 million Euro the previous year). It includes the furniture and motor vehicles of the group as well as the arrangements made to the leased buildings. The decrease compared to 31 December 2016 mainly reflects the depreciation for the year.

In thousands of EUR	2016						Total
	Construc- tions in progress	Land and buildings	Plant and equipment	Motor vehicles	Fixtures and fittings	Other property, plant and equipment	
Movements in property, plant and equipment							
Gross book value as at 01.01.2016			72	326	563	1 578	2 539
Cumulated depreciations as at 01.01.2016			-45	-245	-466	-1 087	-1 842
Property, plant and equipment, beginning balance	0	0	27	81	97	491	697
Investments			1		143		144
Disposals / deallocation (-)			-72	-138	-22		-232
Depreciation - dotation (-)				-28	-50	-379	-457
Depreciation - reversal (-)			45	138	22		205
Property, plant and equipment, ending balance	0	0	1	53	189	112	356
Gross book value as at 31.12.2016			1	188	684	1 578	2 451
Cumulated depreciations as at 31.12.2016				-134	-495	-1 466	-2 095
Property, plant and equipment, ending balance	0	0	1	53	189	112	356

NOTE 13 - INVESTMENTS CONSOLIDATED BY THE EQUITY METHOD

PARTICIPATIONS (In thousands of EUR)	2017	2016
Victor Estates	1 127	1 461
Victor Properties	70	79
Victor Bara	4 421	
Victor Spaak	7 897	
Immoange	1 155	13 571
Naos	5 453	5 478
Total	20 123	20 589

INVESTMENTS (In thousands of EUR)	2017	2016
At the end of the preceding period	20 589	15 244
Share in result	-466	-155
Acquisitions and restructuring		5 500
Capital increase		
Loss of value		
At the end of the period	20 123	20 589

In thousands of EUR	Sums due to related parties	Sums due to the group from related parties
IMMOANGE share of the group : 50%	-	370
VICTOR ESTATES share of the group : 50%	-	4 895
VICTOR PROPERTIES share of the group : 50%	-	257
VICTOR BARA share of the group : 50%	-	2 104
VICTOR SPAAK share of the group : 50%	-	3 726
NAOS share of the group : 55%	-	-

2017 KEY FIGURES FROM FINANCIAL STATEMENTS (In thousands of EUR)	Balance sheet total	Equity	Debts	Result at the end of the period
IMMOANGE share of the group: 50%	1 402	620		-29
VICTOR ESTATES share of the group: 50%	10 980	1 323		-669
VICTOR PROPERTIES share of the group: 50%	655	133		-18
VICTOR BARA share of the group: 50%	5 626	1 367		-62
VICTOR SPAAK share of the group: 50%	9 987	2 449		-104
NAOS share of the group: 55%	16 882	9 892		-69

The investments consolidated by the equity method are companies which are subject to joint control in accordance with IFRS 11 (Joint arrangements) and IAS 28 (Participations in associated companies and joint ventures) standards.

On 31 December 2017, they include the companies Immoange, Victor Estates, Victor Properties, Victor Bara and Victor Spaak (Victor project) as well as the company Naos (project bearing the same

name). The net change compared to 31 December 2016 reflects the losses incurred by these six entities during the year (-0.47 million Euro).

The details of the related projects can be found in the activity report.

NOTE 14 – RELATED PARTIES

Relations between the parent company and its subsidiaries

The relations between ATENOR s.a. and its subsidiaries are detailed in Note 26 relating to the structure of the Group. Refer also to Note 13 concerning the investments consolidated by the equity method.

Relations with the principal directors

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 annual assessment of the collaboration and based on the principles approved by the Board.

The amount of the remuneration, other benefits granted, directly or indirectly, and earnings obtained for the 2017 financial year amounted to 1,118,715 Euro and can be broken down as follows (company cost):

- basic remuneration : 554,696 Euro
- variable remuneration: nihil
- contributions to a pension plan: there were no contributions for a pension plan
- other advantages: there were no other advantages
- earnings from the exercising in FY 2018 of 355 AGP share options (granted in 2017): 564,019 Euro

Also refer to the remuneration report in the Corporate Governance Statement (see page 65).

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 1,350 options on Atenor Group Investments (AGI) shares and 380 options on AGP shares were granted for performance relating to the 2016 financial year.

NOTE 15 – INVENTORIES

In thousands of EUR	2017	2016
Buildings intended for sale, beginning balance	429 209	344 167
Activated costs	171 196	125 505
Disposals of the year	-157 535	-111 897
Entry in the consolidation scope		69 392
Borrowing costs (IAS 23)	2 899	2 185
Foreign currency exchange increase (decrease)	-3 189	-138
Write-offs (recorded)		-471
Write-offs (written back)	1 392	466
Movements during the year	14 763	85 042
Buildings intended for sale, ending balance	443 973	429 209
Accounting value of inventories mortgaged (limited to granted loans)	113 486	124 744

The “Buildings intended for sale” classified in “Inventories” represent the real estate projects in the portfolio and in the process of development. The capitalisation of the financing costs (IAS 23) is suspended in case the normal course or active development of a project is interrupted (Note 1.2.6. for the evaluation rules).

During 2017, the item “Inventories” (“Buildings intended for sale”) was mainly influenced by

- the continuation of the work for the One (Brussels) and City Dox (Anderlecht) projects for 29.53 million Euro;
- the acquisitions of the sites of the Bords de Seine 1 (Paris), Arena Business Campus (Budapest), @Expo (Bucharest), Au Fil des Grands Prés (phase 2 in Mons) projects and the VDAB and COS (Realex project) buildings for a total of 53.81 million Euro;
- the net change taking into account the sale in the financial year of the Vaci Greens buildings in Budapest, the CBC building in Namur,

and the sale of the apartments of the Palatium, UP-site, Au Fil des Grands Prés and Les Brasseries de Neudorf projects that reduces the inventory by 75.95 million Euro ;

- the impact of the change in exchange rates, mainly the negative effect of the Romanian lei (-3.04 million Euro). This element is included in the conversion differences in equity ;
- the activation of borrowing costs of 2.90 million Euro.

The book value of stock pledged, limited if necessary to the loan granted, consists of properties intended for sale from the Realex (35 million Euro), Hermès Business Campus (25.47 million Euro), The One (18.17 million Euro), City Dox (16.1 million Euro), Nysdam (13 million Euro), Vaci Greens (5 million Euro) and Au Fil des Grands Prés (0.74 million Euro) projects.

NOTE 16 – CURRENT AND NON-CURRENT FINANCIAL ASSETS

In thousands of EUR	Other financial investments	Trade and other receivables	Cash and cash equivalents
MOVEMENTS IN FINANCIAL ASSETS			
Non-current financial assets			
Beginning balance	12 971	23 098	
Additions (investments)	688	186	
Disposals (-)	-910	-10 405	
Reclassification (to) from other items	-4	-7 959	
Ending balance	12 745	4 920	
Fair value	12 745	4 920	
Valuation	level 3	level 3	
Current financial assets			
Beginning balance	41 944	36 178	103 451
Disposals (-)	-15 019	-1 301	
Reclassification (to) from other items		9 313	
Impairments (-)	-1 914	-50	
Foreign currency exchange increase (decrease)		-122	-189
Other increase (decrease)			-80 141
Ending balance	25 011	44 018	23 121
Fair value	25 011	44 018	23 121
Valuation	levels 1 & 3	level 3	level 3

OTHER FINANCIAL ASSETS

Where not listed on an active market, the other financial assets are maintained at historical cost if their fair value cannot be determined reliably by a different evaluation technique.

In thousands of EUR	Shares	Loans	Other financial assets	Total
OTHER FINANCIAL ASSETS				
Non current assets				
Beginning balance		12 713	258	12 971
Additions (investments)		669	19	688
Disposals (-)		-653	-257	-910
Reclassification (to) from other items		-4		-4
Impairment (losses) reversals				
Ending balance		12 725	20	12 745
Fair value		12 725	20	12 745
Valuation		level 3	level 3	level 3
Current assets				
Beginning balance			41 944	41 944
Disposals (-)			-15 019	-15 019
Impairments (-)			-1 914	-1 914
Ending balance			25 011	25 011
Fair value			25 011	25 011
Valuation	level 3		levels 1 & 3	levels 1 & 3

The “non-current Loans” concern the net advances granted to Senior Island as well as the affiliates Immoange, Victor Estates, Victor Properties, Victor Bara and Victor Spaak (+0.67 million Euro granted in 2017). The change of -0.65 million Euro corresponds in particular to the repayment by Naos of its loan following external financing contracted by this participation.

On 31 December 2017, the “Other current financial assets” concern in particular the term deposits (various short-term maturities) made with

Belgian banks (Belfius and ING). The net change of -15.02 million Euro is mainly explained by the acquisition of the @Expo project in Romania during the 4th quarter of 2017.

This entry also includes securities whose valuation on 31 December 2017 at the stock market price resulted in the recognition of an impairment of 1.9 million Euro.

TRADE AND OTHER RECEIVABLES (In thousands of EUR)	2017		2016	
	Current	Non-current	Current	Non-current
Trade and other receivables				
Trade receivables, (gross)	43 585	4 920	27 773	23 097
Allowance for bad and doubtful debts	-49		-11	
Other receivables (net)	482		8 416	1
Total trade and other receivables	44 018	4 920	36 178	23 098
Fair value	44 018	4 920	36 178	23 098
Valuation	level 3	level 3	level 3	level 3

The "Trade and other receivables" are valued at their nominal value, which is a good representation of their market value. The payment terms depend mainly on the conditions agreed on the sale of shares or major assets.

At the end of the year, the "Trade and other non-current receivables" total 4.92 million Euro. This caption includes the discounted debt on INASTI (4.73 million Euro decreased by 10.4 million Euro following the sale of the freeholds of the Palatium project apartments) as well as the income to be received related to the sale of apartments in buildings G and H of the Au Fil des Grands Prés project (0.19 million Euro).

The "Customers and other current receivables" changes from 36.18 to 44.02 million Euro as at 31 December 2017. This net increase of 7.84 million Euro is essentially explained by:

- The accrued turnover of 16.23 million Euro associated with the sale

on progress (77.30%) of the Vaci Greens building D;

- The receivables on the acquirer of the Senior Island company (7.08 million Euro, 6.09 million of which transferred from the «long term» item) following the sale contract of 15 December 2015;
- The decrease in receivables from the purchasers of apartments from the Port du Bon Dieu (-7.37 million Euro) and Brasseries de Neudorf (-4.45 million Euro) projects following the delivery of these two projects;
- The rents and service charges invoiced to tenants in advance by NGY (5.62 million Euro);
- The turnover on progress on the units of The One project sold or in agreement on 31 December 2017 (3.28 million Euro).

The assets pledged within the context of project financing are detailed in note 25 "Rights and commissions".

CASH AND CASH EQUIVALENT (In thousands of EUR)	2017		2016	
	Current	Non-current	Current	Non-current
Cash and cash equivalent				
Bank balances	23 119		103 448	
Cash at hand	2		3	
Total cash and cash equivalents	23 121		103 451	
Fair value	23 121		103 451	
Valuation	level 3		level 3	

Taking into account the cash investments presented in «Other financial assets» of 25.01 million Euro, the total cash reserves now stand at 48.13 million euro.

The financial assets are also summarised as follows:

In thousands of EUR	2017	2016
Investments held until their maturity	48 132	145 395
Loans & receivables	61 663	71 988
Financial assets available at sale	20	258
Total of current and non current financial assets	109 815	217 642

For its project development activities, ATENOR does not hedge its financial assets.

The main financial risks can be summed up as follows:

- **Forex risks:** by virtue of its activities, ATENOR is sensitive to exchange rate variations of the Forint (Hungary), the Leu (Romania). 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 hedging this operational exchange rate risk. (See Note 1 – Main accounting methods – paragraph 2.11 – Exchange rate risks).

Except 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 currencies is booked under translation adjustments.

The table below covers the variations of exchange rates 2017/2016.

EXCHANGE RATE (€ 1 =)	Closing rate		Average rate	
	2017	2016	2017	2016
Forint (Hungary) - HUF	310.14	311.02	309.34	311.84
Leu (Romania) - RON	4.6597	4.5411	4.5732	4.4934

- **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 these investments is very close to their market value.

- **The risk of default** of the counterparties (acquirers) is limited by the constitution of bank guarantees on the signing of the provisional agreements and notarial deeds.

- **Derivatives (assets)**

ATENOR did not use derivative financial instruments for coverage purposes in fiscal year 2017.

Levels of fair value hierarchy

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

Level 1: Quoted prices on active markets

None

Level 2: (direct or indirect) observable data, other than quoted prices

The derivative instruments are, where appropriate, valued by a financial institution on the basis of market parameters.

Level 3: non-observable market data

The fair value of the "Current and non-current financial assets" (including liquid assets) is close to the market value. The fair value of non-quoted financial assets available for sale 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 insignificant.

The fair value of the "Trade and other receivables" corresponds to their nominal value (deducting any impairment loss) and reflects the sale price of the goods and other assets sold in the provisional agreements and notarial deeds.

Sensitivity analysis

Taking into account the nature of the financial assets and their short maturities, a sensitivity analysis is not necessary, as the impact of the rate variations is negligible.

NOTE 17 – OTHER CURRENT AND NON-CURRENT ASSETS

In thousands of EUR	2017		2016	
	Current	Non-current	Current	Non-current
Other assets				
Current tax receivables	8 283		4 241	
Current loans payments	221		185	
Other assets	4 747		5 305	
Total other assets	13 250		9 731	
Fair value	13 250		9 731	

The other current and non-current assets consist mainly of payable tax assets (8.28 million Euro), advance payments (221 thousand Euro) and accrued assets (prepaid interests, insurances and commissions to be deferred and accrued interests earned for 4.75 million Euro).

The current tax assets include the receivables from the VAT

administrations (7.11 million Euro) as well as the Belgian and foreign direct taxes to be recovered (1.17 million Euro). The significant increase in this item is mainly due to VAT to be recovered on the acquisition of the site for the Bords de Seine project in Bezons (3.43 million Euro).

NOTE 18 – DEFERRED TAX ASSETS AND LIABILITIES

In thousands of EUR	2017		2016	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets		-82		-2 770
Stock of buildings intended for sale		139		4 297
Amounts receivable		-3 678		-5 189
Provisions		153		
Received advance payments		-7 335		-17 925
Tax losses	9 138		12 473	
Other		32		-79
Compensation	-3 734	3 734	-6 473	6 473
Total deferred taxes related to temporary differences	5 404	-7 037	6 000	-15 193

In accordance with IAS 12 and the accounting principles mentioned in point 2.14, ATENOR recognises in the balance sheet the value of the latent tax assets originating from deferred tax losses and tax credits for Atenor s.a., Hexaten s.a., The One Estate s.a., The One Office s.a., I.P.I. s.a. and Rest Island s.a.

In addition, deferred tax assets and liabilities are recorded in the balance sheet on the temporary differences between the statutory and consolidated results. The deferred tax liabilities are mainly related to the revenue recognition according to the degree of progress of the projects.

Following the tax reform adopted at the end of 2017 in Belgium and

the reduction of the corporate tax rates, which will be 29.58% in 2018-2019 and 25% from 2020, the deferred taxes were adjusted, as appropriate, to these rates based on the year in which they will be used.

The deferred tax assets and liabilities are offset when they relate to the same legal entity.

Also see - note 8 concerning the deferred tax booked in results.

Deferred tax assets not recognised concern entities for which there is no, or isn't yet any specific likelihood of creating any taxable profit to which these deductible time differences could be linked to.

In thousands of EUR	2017	2016
Total of not booked deferred tax assets	6 428	6 460

The deferred taxes relating to the fiscal losses and tax credits of ATENOR brought forward were recognised at the level of the future estimated taxable profits. The deferred tax assets not recognised amount to 6.43 million Euro. The deferred tax assets relating to the

tax losses of the real estate subsidiaries in Belgium or abroad are recognised only where there is 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	Total
On 01.01.2016	1 498	-10 573	-9 075
Deferred tax expense and income recorded in profit and loss	4 502	-4 601	-99
Changes in the deferred taxes recorded in equity (foreign currency exchange adjustments)		-19	-19
On 31.12.2016	6 000	-15 193	-9 193
On 01.01.2017	6 000	-15 193	-9 193
Deferred tax expense and income recorded in profit and loss	-596	8 170	7 574
Changes in the deferred taxes recorded in equity (foreign currency exchange adjustments)		-14	-14
On 31.12.2017	5 404	-7 037	-1 633

NOTE 19 – PROVISIONS

In thousands of EUR	Guarantee provisions	Other provisions	Total
Provisions (both current and non-current)			
Provisions, beginning balance	1 814	500	2 314
Additional provisions	5 272		5 272
Increase (decrease) to existing provisions	19	25	44
Amounts of provisions used (-)	-424		-424
Amounts not used but written back (-)	-483		-483
Increase (decrease) resulting from the variation of the exchange rate	-5		-5
Provisions, ending balance	6 193	525	6 718
Non-current provisions, ending balance	6 193	525	6 718
Current provisions, ending balance	0	0	0

The risks connected with given guarantees or with ongoing disputes are subject to provisions when the conditions for recognition of these liabilities are met.

"Non-current provisions" amount to 6.72 million Euro and, firstly, correspond to the provisions concerning the revenue guarantees for the Vaci Greens A, B, C and D projects (6.10 million Euro, 5.27 million of which booked in 2017 following the sale of buildings A, B and D) and for the UP-site project (UP³ and public car parks; 0.09 million Euro) and secondly, to the provision of 0.53 million Euro

set up in the context of the Pixel/AM dispute following the ruling issued by the Tribunal in March 2012. ATENOR made an appeal on 24 May 2012; the parties have filed various sets of conclusions, including the latest filed by ATENOR in December 2014. The appeal hearings took place on 8 January 2018 and the judgment rendered on 7 February 2018 closed the dispute by the settlement of the amount provisioned in the ATENOR accounts.

Contingent liabilities and rights and commitments are described in notes 23 and 25 in the financial statements.

NOTE 20 - CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

2017 (In thousands of EUR)	Current			Non-current		
	Up to 1 year	1-5 years	> 5 years	Total	Fair value (*)	Valuation
Financial liabilities						
Credit institutions	67 323	41 695	8 000	117 018	116 723	level 3
Bond issue		24 985		24 985	25 310	levels 1 & 3
Other loans	111 126	85 463	38 539	235 128	235 445	levels 1 & 3
Total financial liabilities according to their maturity	178 449	152 143	46 539	377 131	377 478	
Other financial liabilities						
Trade payables	31 070			31 070	31 070	level 3
Other payables	6 129			6 129	6 129	level 3
Other financial liabilities		864		864	864	level 3
Total amount of other liabilities according to their maturity	37 198	864		38 062	38 062	

2016 (In thousands of EUR)	Current			Non-current		
	Up to 1 year	1-5 years	> 5 years	Total	Fair value	Valuation
Financial liabilities						
Credit institutions	110 384	46 612	12 279	169 275	171 329	level 3
Bond issue	60 000	24 966		84 966	87 072	levels 1 & 3
Other loans	53 667	85 622	56 943	196 232	197 191	levels 1 & 3
Total financial liabilities according to their maturity	224 051	157 200	69 222	450 473	455 592	
Other financial liabilities						
Trade payables	27 236			27 236	27 236	level 3
Other payables	14 938	195		15 133	15 133	level 3
Other financial liabilities		746	48	794	794	level 3
Total amount of other liabilities according to their maturity	42 174	941	48	43 163	43 163	

(*) The fair value of the financial instruments is determined as follows:

- If their maturity is short-term, the fair value is presumed to be similar to the amortised cost.
- For non-current fixed-rate debts, by discounting the future interest flows and capital reimbursements at a rate of 2.822%, which corresponds to the Group's weighted average financing rate.
- For listed bonds, on the basis of the closing price.

Policy of indebtedness and financial risks

The financial risks (credit, liquidity and interest rates) are explained through the Group's policy on indebtedness, which was not changed in 2017.

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 top ranked banking partners 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 program of short, medium and long term commercial papers (CP/MTN) and tasked Belfius Bank with commercialising them to private and public institutional investors. In 2016, the Group continued the diversification of its sources of funding by issuing four tranches of medium and long term bonds within the framework of its new European Medium Term Notes (EMTN) programme. The Group follows a policy of active communication in order to inform as widely as possible the actors of the financial markets and soften any drying up of the money market and any crisis independent of the situation and the activities of ATENOR.

ATENOR and its subsidiaries obtain the necessary financing to successfully complete the construction of real estate projects. This financing is aimed at covering the entire period of construction by

commercialisation within a reasonable delay, generally one year after the end of the works. Within the framework of this financing, the assets in construction and the shares of ATENOR'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 may decide to finance its projects directly or to finance the subsidiaries developing the projects.

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 loans are made for longer durations (from two to five years), the Group contracts 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 overdrafts of 1 to 12 months for the duration of the financing linked 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 represents between 3 and 6% of the total. Consequently, the sensitivity to a strong variation of the short-term rates remains relatively low and limited.

Derivatives (liabilities)

ATENOR uses financial derivative instruments exclusively for the purposes of hedging. These financial instruments are assessed at their fair value with variations in value assigned to the P&L account, except for the financial instruments qualified as "Cash flow hedge", for which the part of the profit or the loss on the hedge instrument considered to constitute an effective hedge is booked directly through equity account under the "other items of the overall result" heading. As far as "Fair value hedges" are concerned, changes in the fair value of the derivatives designated and qualified as fair value hedges are booked in

the results account, just like the changes to the fair value of the asset or of the liability hedged, assignable to the hedged risk.

No new contracts have been implemented for coverage rates or changes in 2017. The last IRS contract came to an end in July 2015.

FINANCIAL DEBTS (In thousands of EUR)	Current		Non-current	
	Up to 1 year	More than 1 year	Total	
Movements on financial liabilities				
On 31.12.2016	224 051	226 422	450 473	
Movements of the period				
- New loans	39 022	6 239	45 261	
- Reimbursement of loans	-119 204		-119 204	
- Entries in the consolidation scope				
- Variations from foreign currency exchange	14	110	124	
- Short-term/long-term transfer	34 345	-34 345		
- Others	221	256	477	
On 31.12.2017	178 449	198 682	377 131	

Financial debts

On 31 December 2017, the group indebtedness amounts to 377.13 million Euro compared with 450.47 million Euro at the end of 2016. This decrease of 73.34 million Euro is explained by the repayments of the bond loan of 60 million Euro and bank loans of a total of 57.83 million Euro offset by the increase in the outstanding CP programme for the financial year of 37.65 million Euro and new loans of 6.25 million Euro.

The "Non-current financial debts" amount to 198.68 million Euro on 31 December 2017. They include the four EMTN issued in 2016 (86.1 million Euro), the bond issue of 25 million Euro, the loan of Atenor Group Participations (7 million Euro), the long-term loans of Garanti Bank (21.84 million Euro) and CPH (2.86 million Euro), the credit from Hexaten (13 million Euro), the 5 million Euro City Tower credit contracted in March 2017 with Unicredit as well as the MTN for 38.85 million Euro.

The "Current financial debts" total 178.45 million Euro on 31 December 2017 against 224.05 million Euro at the end of 2016. They include the Garanti Bank loan (10 million Euro) with a maturity of 7 September 2018, the outstanding CP and MTN maturing during the year (111.15 million Euro), the credits granted within the context of the Realex (35 million Euro) and The One (18.17 million Euro) projects as well as the 2018 maturities of Garanti Bank loan granted to NGY (3.48 million Euro) and CPH (0.71 million Euro).

The financial liabilities classified in "Other loans" (235.13 million Euro) concern both the bond issues under the EMTN programme and the "Commercial Papers" as well as "Medium Term Notes" contracted

by ATENOR s.a. in the context of its CP/MTN program marketed by Belfius Bank.

The accounting value of the financial debts correspond to their nominal value, corrected by the costs and commissions for the setting up of these loans and by the adjustment linked to the valuation of the financial derivatives.

Sensitivity analysis on the variation of the interest rates

In the current money market environment, ATENOR considers that short-term debt (CP and bank financing) associated with the short-term rates avoids the volatility of the interest.

The commercial perspectives of our projects and corresponding cash flows do not lead to major interest rate risk.

Therefore, taking into account the structure of the indebtedness of the group and the fixed rates of long-term debt, the sensitivity analysis becomes superfluous. As in previous years, such an analysis will reveal an impact of only little significance.

Subject to events not known on the date of publication of this report, ATENOR intends to repay the MTNs and EMTNs bonds issued at maturity.

FINANCIAL DEBTS		Nominal value (in EUR)
Private placement of bond at 3.5%	03.12.2014 au 03.12.2019	25 000 000
Total bond issues		25 000 000
Via credit institutions		
Atenor Group Participations		7 000 000
Atenor		13 571 429
Projets	Le Nysdam (via Hexaten)	13 000 000
	The One (via The One Estates)	2 480 000
	The One (via The One Office)	15 690 234
	Hermès Business Campus (via NGY Properties)	25 473 894
	Realex (via Leaselex)	35 000 000
	Vaci Greens E & F (via CT)	5 000 000
Total financial debts via credit institutions		117 215 557
Other loans		
CP	2018	91 100 000
MTN	2018	20 050 000
	2019	11 950 000
	2020	18 500 000
	2021	7 400 000
	2022	500 000
	2026	500 000
EMTN	2021	30 000 000
	2022	18 000 000
	2023	30 000 000
	2024	8 100 000
Total other payables		236 100 000
TOTAL FINANCIAL DEBTS		378 315 557

Principal characteristics of the bond issues

N° 1 – 2012 – 2017

- This 60 million Euro bond matured and was repaid on 26 October 2017.

N° 2 – 2014 – 2019

- Private placement of bond
- Amount: € 25,000,000
- Gross annual interest of 3.50%
- Gross actuarial yield: 3,225%
- Issue date: 03.12.2014
- Maturity date: 03.12.2019
- Issue price: 101.25%
- Nominal minimum subscription amount per bond: € 100,000 + € 10,000
- Bond with a nominal value of € 10,000
- Unlisted bond - ISIN code: BE6274319688
- Sole Manager: Belfius bank

EMTN (European Medium Term Notes) programme

Given the conditions of the capital market in 2016, ATENOR has carried out a number of bond issues in the form of "Private Placements" under its EMTN programme.

These issues aim to strengthen ATENOR's balance sheet structure in particular by increasing the proportion of its medium-term commitments. The proceeds from these issues provide financing for the construction of new phases in development and, on the other hand, give ATENOR the means to seize any new opportunity to acquire new projects.

These bonds are listed on Alternext Brussels. As at 31 December 2017, their «fair value» is respectively 29.81 million Euro (99.36%), 17.51 million Euro (97.26%), 29.62 million Euro (98.73%) and 7.91 million Euro (97.71%).

Tranche 1 – 2016 – 2021

- Amount: € 30,000,000
- Nominal amount: € 100,000,-
- Issue price: 100.00%
- Interest rate: 3,00 %
- Interest commencement date: 04.10.2016
- Redemption date: 04.10.2021
- Quotation on Alternext Brussels
- ISIN: BE0002261304
- Legal Documentation: following Information Memorandum du 07.09.2016 and Final terms dated 04.10.2016

Tranche 2 – 2016 – 2022

- Amount: € 18,000,000
- Nominal amount: € 100,000,-
- Issue price: 100.00%
- Interest rate: 3.125%
- Interest commencement date: 11.10.2016
- Redemption date: 11.10.2022
- Quotation on Alternext Brussels
- ISIN: BE0002263326
- Legal Documentation: following Information Memorandum du 07.09.2016 and Final terms dated 04.10.2016

Tranche 3 – 2016 – 2023

- Amount: € 30,000,000
- Nominal amount: € 100,000,-
- Issue price: 100.00%
- Interest rate: 3.50 %
- Interest commencement date: 04.10.2016
- Redemption date: 04.10.2023
- Quotation on Alternext Brussels
- ISIN: BE0002262310
- Legal Documentation: following Information Memorandum du 07.09.2016 and Final terms dated 04.10.2016

Tranche 4 – 2016 – 2024

- Amount: € 8,100,000
- Nominal amount: € 100,000,-
- Issue price: 100.00%
- Interest rate: 3.75 %
- Interest commencement date: 11.10.2016
- Redemption date: 11.10.2024
- Quotation on Alternext Brussels
- ISIN: BE0002264332
- Legal Documentation: following Information Memorandum du 07.09.2016 and Final terms dated 04.10.2016

Other financial liabilities

The "Other current financial liabilities" stand at 37.20 million Euro on 31 December 2017, against 42.17 million Euro in 2016. The change in this caption is mainly due by the decrease in the "other

liabilities" entry (-8 million Euro) following the settlement of the Président case litigation (-5.96 million Euro), offset by the increase of 3.83 million Euro in trade payables reflecting the state of progress of the construction sites.

The "Trade payables and other current payables" mature in 2017. They are evaluated at their nominal value, which is a good approximation of their fair value.

Please also refer to note 2 concerning risk management.

Levels of fair value hierarchy:

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

Level 1: Quoted prices on active markets

For instruments listed on an active market, the fair value corresponds to the price on the closing date

Level 2: (Direct or indirect) observable data, other than quoted prices

Derivatives are valued, if necessary, by a financial institution on the basis of market parameters.

Level 3: Non observable market data

Depending on their maturity, "Financial liabilities" are valued by discounting the flows or at amortised cost on the basis of their effective interest rate, supported by conventions and amounts borrowed.

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

The financial liabilities are also summarised as follow:

In thousands of EUR	2017	2016
Financial liabilities at fair value by means of the profit and loss account		
Financial liabilities valued at amortised cost	415 193	493 636
Total	415 193	493 636

Information on changes in the liabilities arising from financing activities

In thousands of EUR	2016	Cash flows	Non cash movements			2017
			Acquisition	Variation resulting from exchange rate changes	Variation linked to fair value	
Non-current liabilities bearing interest	226 422	6 496		109	-34 345	198 682
Current trade and other payables	195				-195	
Other non-current liabilities	794	71		-1		864
Current liabilities bearing interest	224 051	-79 961		14	34 345	178 449
Other debts maturing in the year	300					300
Total liabilities linked to financial activities	451 762	-73 394		122	-195	378 295

Refer to the financing operations in the consolidated statement of the cash flows.

NOTE 21 – OTHER CURRENT AND NON-CURRENT LIABILITIES

2017 In thousands of EUR	Current			Non-current		TOTAL	Fair value	Valuation
	Up to 1 year	1-5 years	More than 5 years					
Other liabilities								
Advance received	234					234	234	level 3
Social debts of which payables to employees	534					534	534	level 3
Taxes	9 944					9 944	9 944	level 3
Accrued charges and deferred income	3 404					3 404	3 404	level 3
Total amount of other liabilities according to their maturity	14 116					14 116	14 116	

2016 In thousands of EUR	Current			Non-current		TOTAL	Fair value	Valuation
	Up to 1 year	1-5 years	More than 5 years					
Other liabilities								
Advance received	10 730					10 730	10 730	level 3
Social debts of which payables to employees	286					286	286	level 3
Taxes	18 017					18 017	18 017	level 3
Accrued charges and deferred income	6 184					6 184	6 184	level 3
Total amount of other liabilities according to their maturity	35 217					35 217	35 217	

The "Other current and non-current liabilities" are recorded at their nominal value, which is a good approximation of their fair value.

The "Other current liabilities" consist of

- taxes and duties comprising the decrease of 8.07 million Euro compared to the previous year. This item includes in particular the income tax to be paid by HFI (4.66 million Euro) as well as the VAT to be paid by City Tower (4.64 million Euro) on the invoiced advance. As a reminder, in 2016, this item included the VAT to be

paid by DCT (11.78 million Euro) following the sale of building C of the Vacii Greens project;

- accruals (3.4 million Euro) that record the interests to be accrued on bond loans and other long-term Atenor s.a. financing (1.65 million Euro) as well as the rents and rental charges to be deferred for Hexaten and NGY (1.6 million Euro).

NOTE 22 – EMPLOYEE BENEFITS

In thousands of EUR	2017	2016
Evolution of the employee benefits		
At the end of the preceding period	335	172
Increase (decrease) of existing provisions	1	139
Other variations	140	24
At the end of the period	476	335
of which non-current pension obligation	476	335
of which current pension obligation		

In 2016, the employee benefits cover the Group's insurance obligations (IAS 19R).

Until 2014, the post-employment benefit plans are of a «defined benefit» type. From 2015, the new beneficiaries (4 as at 31 December 2017) join a «defined contribution» type plan with legal guarantees of performance. Both types of plan will provide staff with the same benefits upon retirement and in the event of death.

For the "defined benefit" plans, the amount recognised in the balance

sheet reflects the present value of the obligations less the fair value of the plan assets.

For the «defined contribution» plan, the pension liability is the amount payable on the valuation date to fund the performance guarantee if all affiliates left the plan on this date or if the plan was repealed on this date.

Given the insignificant part of the plan «defined contribution» in all the plans, the key figures below are aggregated for all the plans.

In thousands of EUR	2017	2016
Statement of financial position		
Present value of the defined benefit obligations	1 338	1 099
Fair value of plan assets	-862	-764
Obligations arising from plans	476	335

In thousands of EUR	2017	2016
Overall profit and loss statement		
Current service costs	87	65
Past service costs		156
Interest costs on obligations under plans	19	24
Interest income on plan assets	-14	-21
Administrative fees and taxes	7	
Defined benefit costs recognized in profit or loss	99	224
Actual (gains)/losses on obligations under plans	154	1
Actual (gains)/losses on plan assets	-14	23
Other elements of the overall profit and losses	140	24
Plans costs	239	248

In thousands of EUR	2017	2016
Present value of the obligation, opening balance		
Current service cost	87	66
Past service costs		156
Financial cost	19	24
Contributions from plan participants	14	12
Actuarial (gains) losses	154	1
Benefits paid		-319
Other increase (decrease)	-35	
Present value of the obligation, closing balance	1 338	1 099

In thousands of EUR	2017	2016
Fair value of the plan assets, opening balance		
Expected return	14	21
Contributions from employer	98	86
Contributions from plan participants	14	12
Actuarial (gains) losses	14	-23
Benefits paid		-319
Other increase (decrease)	-42	
Fair value of the plan assets, closing balance	862	764
Valeur actuelle des obligations à la clôture	1 338	1 099

In thousands of EUR	2017	2016
Followed assumptions		
Discount rate on 31 December	1.80%	1.80%
Inflation rate	1.75%	1.75%
Salary increases (in addition to the inflation)	0%	0%
Mortality	MR-2/FR-2	MR/FR

ATENOR STOCK OPTIONS PLANS

The number of options of the SOP 2007 to 2012 was part of an option plan concerning a total of 300,000 existing shares. They all expired in 2017.

SOP 2007

We note that, in compliance with the decision of the Remuneration Committee of 13 December 2006, ratified by the Board of Directors of 31 May 2007, ATENOR on 3 August 2007 issued a total of 50,000 options on own shares to members of the Executive 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 10 – Capital).

Based on the value of the options on the date of allocation (3 August 2007), the charge was spread over five years pro rata 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 Petercam and ATENOR):

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

24,500 options were exercised in 2017. On the date of exercise, the weighted average price amounted to 42.35 Euro. Taking into account the provision booked in the consolidated financial statements, the exercise of these options resulted in a positive result of 64 thousand Euro. The remaining 7,500 options expired in 2017.

SOP 2008

In compliance with the decision of the Remuneration Committee of 18 December 2007, ratified by the Board of Directors of 3 March 2008, ATENOR issued on 5 May 2008 a total of 51,700 options on own shares to the members of the Executive Committee 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 to 20 April 2012 and from 1 October 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 10 – Capital).

Based on the value of the options on the date of allocation (5 May 2008), the charge was spread over five years pro rata temporis. This charge amounted to 139 thousand Euro in 2008,

207 thousand Euro annually from 2009 to 2011 and 55 thousand Euro in 2012. The valuation of these options was based on the following parameters (sources Banque Degroof Petercam and ATENOR):

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

1,500 options were exercised in 2017. On the date of exercise, the weighted average price amounted to 48.60 Euro. Given the excess provision recorded in the consolidated accounts (15.95 Euro per option), the exercise of these options and the cancellation of the provision related to the remaining 7,750 expired options generated a positive result of 133 thousand Euro.

ATENOR GROUP INVESTMENTS STOCK OPTIONS PLANS

On 5 July 2013, the Nomination and Remuneration Committee put in place a stock option plan on ATENOR GROUP INVESTMENTS (AGI) shares for the benefit of all Group members of personnel and employees. This company, a 100% ATENOR subsidiary, acquired from ATENOR 150,000 own shares at an average price of 31.90 Euro (weighted average of the three months preceding the acquisition) constituting its sole assets. The options issued on this subsidiary benefit the members of the Executive Committee, staff and ATENOR service providers.

SOP 2014

All of the options in this plan were exercised in 2017 and were settled in cash. Taking into account the provision of 473 thousand Euro recorded on 31 December 2016, this transaction has resulted in a negative impact of 242 thousand Euro.

SOP 2015

39,985 options on AGI shares were issued on 23 February 2015. Their exercise price was fixed, on the favourable opinion of the AGI Auditor, at 16.39 Euro per option, corresponding to their inventory value per AGI share on 31 January 2015, after re-evaluation of the ATENOR share portfolio at 40.526 Euro per share, corresponding to the average of the 20 last closing prices. These options will be exercisable during the periods from 12 to 31 March 2018, 11 to 31 March 2019 and from 9 to 31 March 2020 each time after the publication of the annual results

SOP 2016

40,000 options on AGI shares were issued on March 3, 2016. Their exercise price was fixed, with the assent of the AGI auditor, at 22.67 Euro by option, corresponding to their asset value per AGI share on January 31, 2016, after revaluation of the ATENOR share portfolio at 44.65 Euro per share, corresponding to the average of the last 20 closing prices. These options will be exercisable during the periods from 11 to 31 March, 2019, 9 to 31 March, 2020 and 8 to 31 March, 2021, after each publication of the annual results.

SOP 2017

39,750 options on AGI shares were issued on March 24, 2017. Their exercise price was fixed, with the assent of the AGI auditor,

at 26.08 Euro by option, corresponding to their asset value per AGI share on January 31, 2017, after revaluation of the ATENOR share portfolio at 46.168 Euro per share, corresponding to the average of the last 20 closing prices. These options will be exercisable during the periods from 9 to 31 March, 2020, 8 to 31 March, 2021 and 8 to 31 March, 2022, after each publication of the annual results.

The 2015 to 2017 options plans resulted in a total provision of 620 thousand Euro at 31 December 2017.

This valuation is based on the closing price of 46.995 Euro.

SOP 2018

39,625 options on AGI shares were issued on March 12, 2018. Their exercise price was fixed, with the assent of the AGI auditor, at 31.34 Euro by option, corresponding to their asset value per AGI share on January 31, 2018, after revaluation of the ATENOR share portfolio at 49.33 Euro per share, corresponding to the average of the last 20 closing prices. These options will be exercisable during the periods from 8 to 31 March 2021, 8 to 31 March 2022 or 8 to 31 March 2023 after each publication of the annual results.

We describe in detail the ATENOR GROUP INVESTMENTS “stock options” actually allocated:

ATTRIBUTION IN	2018	2017	2016	2015
Exercise price	€ 31,34	€ 26,08	€ 22,67	€ 16,39
Number of options on 31.12.2014	-	-	-	39,985
Number of options on 31.12.2015	-	-	40,000	36,745
Number of options on 31.12.2016	-	-	36,625	35,820
Number of options on 31.12.2017	-	35,950	34,375	33,395
Exercise periods	8 to 31.03.2021 8 to 31.03.2022 8 to 31.03.2023	9 to 31.03.2020 8 to 31.03.2021 8 to 31.03.2022	11 to 31.03.2019 9 to 31.03.2020	12 to 31.03.2018 11 to 31.03.2019 9 to 31.03.2020
Expiry dates	31.03.2023	31.03.2022	31.03.2021	31.03.2020

On December 31, 2017, ATENOR holds 163,427 treasury shares through its subsidiary AGI acquired at an average price of 40.59 Euro for a total valuation of 6.63 million Euro. These shares are intended to enhance these option plans

NOTE 23 – CONTINGENT LIABILITIES AND DISPUTES

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

ATENOR 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 and its subsidiaries are subject.

The Board of Directors also presents a risk still facing ATENOR:

- The company Com.Realty (Michel Pilette) claims a commission on the sale of the TREBEL project signed with the European Parliament following the public call for projects. By a decision handed down on 28 November 2016, the Commercial Court dismissed all of this company's claims against ATENOR. Com.Realty has, however, appealed the decision and the proceedings are still pending on appeal. ATENOR considers these claims to be unfounded (as confirmed by the decision at first instance) and, accordingly, has not posted any provision in this respect.

Furthermore, the following risks are now closed:

- Within the framework of the President dispute, a settlement agreement was signed last December by Atenor Luxembourg and the temporary association of the contractors Soludec, CIT Blaton and Van Laere. Given the elements of the case and despite Atenor's solid position, Management decided to put an end to the dispute in order to focus on future challenges. The financial impact for ATENOR is 2.78 million Euro.

- As regards the construction of the PIXEL building (2007) in Luxembourg, general contractors Soludec and CIT Blaton issued a summons against ATENOR Luxembourg for reimbursement of penalties for which ATENOR 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, appealed this ruling and set aside provisions in 2012 in the amount of 0.37 million Euro (plus legal interest). Pleadings on appeal took place on 8 January 2018 and the ruling handed down on 7 February 2018 ended the dispute within the limits of the above-mentioned provision.

NOTE 24 - SUBSEQUENT EVENTS

- As announced in the press release of 28 February, ATENOR has signed, through its new Polish subsidiary, a pre-agreement for the acquisition of emphyteutic lease rights to two office buildings of 30,500 m² offering annual rental income of approximately three million Euro. These offices, called «University Business Center», are located in the Mokotow quarter of Warsaw. This new acquisition strengthens Atenor's presence in Central Europe, the region recording the strongest economic growth.
- On 12 March 2018, ATENOR will issue a new stock option plan

(SOP 2018) for the subsidiary named Atenor Group Investments (AGI).

The options issued on this subsidiary benefit to the members of the Executive Committee, personnel and service providers.

This SOP may be exercised during the three periods following: from 8 March to 31 March 2021, from 8 March to 31 March 2022 and from 8 March to 31 March 2023.

No other important event occurring since 31 December 2017 must be noted.

NOTE 25 - RIGHTS AND COMMITMENTS

In thousands of EUR	2017	2016
Guarantees constituted or irrevocably promised by third parties		
Bank guarantees for security deposits ⁽¹⁾	28 330	33 126
Other security deposits received		4 455
Real securities constituted or irrevocably promised by the companies on their own assets		
Mortgages ⁽²⁾		
- accounting value of the buildings mortgaged	113 486	124 744
- amount of the registration	48 175	62 075
- with mortgage mandate	128 428	142 365
- with promise to give mortgage	12 545	12 385
Receivables and other guaranteed amounts ⁽³⁾	8 144	15 445
Pledged accounts ⁽⁴⁾	11 545	24 457
Guaranteed securities	p.m.	p.m.
Other acquisitions or transfer commitments		
Commitments for the acquisitions of buildings ⁽⁵⁾	12 233	6 401
Commitments for the disposals of buildings ⁽⁶⁾	26 100	33 000
Purchase option on buildings	p.m.	p.m.
Commitments and guarantees constituted towards third parties		
Various bank guarantees/other security deposits in solidarity ⁽⁷⁾	78 772	100 556
Lease guarantees	54	459

(1) This item includes the bank guarantees received from contractors within the framework, in particular from the One (6.14 million Euro), City Dox (3.89 million Euro), Port du Bon Dieu (2.46 million Euro), Vaci Greens (2.38 million Euro) and HBC (1.63 million Euro) as well as rental bank guarantees received (4.61 million Euro).

(2) Mortgages

- in favour of Garanti bank as part of the credit agreement contracted by NGY (maturity: 1 April 2025);
- in favour of Belfius bank as part of the credits relating to the One project (maturity: 20 October 2018);
- in favour of BNPPF bank as part of the credit contracted by Hexaten (maturity: 29 October 2020) and the credits relating to the Realex project (maturity: 27 April 2018);
- in favour of ING bank as part of the Breyne legislation credit agreements for the Au Fil des Grands Prés (zone 2) and City Dox projects and
- in favour of Unicredit bank as part of the credit contracted by City Tower (maturity: 31 March 2020).

(3) Including receivables of 7.87 million Euro secured on the buyers of Senior Island in favour of the ING Bank.

(4) Pledged deposits: of which in favour of Belfius (total of 1.67 million on 31 December 2017) as part of The One and La Sucrerie projects, ING (4.62 million Euro) as part of the City Dox and Au Fil des Grands Prés (zone 2) projects and Garanti Bank (4.4 million Euro).

(5) Concerns the purchase commitment of the project BuzzCity (Leudelage – 9.08 million Euro) as well as the additional price of the Au Fil des Grands Prés project (zone 1) in Mons (3.15 million Euro).

(6) The balance of the selling price receivable related to the sale of building D of the Vaci Greens project whose result was recorded on progress (77.3%) on 31 December 2017;

(7) This entry reflects in particular:

- the completion guarantees for the City Dox (20.73 million Euro), Au Fil des Grands Prés (17.05 million Euro), Palatium (2.91 million Euro) and Les Brasseries de Neudorf (1.73 million Euro) housing projects;
- the joint and indivisible pledge of ATENOR to a maximum of 14.35 million Euro for account of The One Estate and The One Office (The One project) in favour of the Belfius bank (maturity: 20.10.2018) and a maximum of 4 million Euro for account of City Tower in favour of Unicredit;
- "Property dealer" guarantees for a total of 7.36 million Euro;
- Guarantees in favour of the European Parliament following the delivery of the Trebel project (4 million Euro).

NOTE 26 - PARTICIPATIONS

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
ATENOR FRANCE	F-75008 Paris	100,00
ATENOR GROUP CENTRAL EUROPE	B-1310 La Hulpe	100,00
ATENOR HUNGARY	H-1138 Budapest	100,00
ATENOR GROUP INVESTMENTS	B-1310 La Hulpe	100,00
ATENOR LUXEMBOURG	L-8399 Windhof	100,00
ATENOR GROUP PARTICIPATIONS	B-1310 La Hulpe	100,00
ATENOR ROMANIA	RO-020335 Bucharest	100,00
ATENOR TOOLS COMPANY	B-1310 La Hulpe	100,00
BDS UNE FOIS	F-75008 Paris	100,00
BUILD UP	B-1310 La Hulpe	100,00
C.P.P.M.	B-1310 La Hulpe	100,00
CITY TOWER	H-1138 Budapest	100,00
CITY VIEW TOWER	H-1138 Budapest	100,00
DREWS CITY TOWER	H-1138 Budapest	100,00
FREELEX	B-1310 La Hulpe	90,00
HEXATEN	B-1310 La Hulpe	100,00
HF IMMOBILIER	L-8399 Windhof	100,00
HUNGARIA GREENS	H-1138 Budapest	100,00
IMMOBILIERE DE LA PETITE ILE (IPI)	B-1310 La Hulpe	100,00
IMMO SILEX	B-1310 La Hulpe	90,00
LEASELEX	B-1310 La Hulpe	90,00
LUXLEX	L-8399 Windhof	90,00
MONS PROPERTIES	B-1310 La Hulpe	100,00
NAMUR WATERFRONT	B-1310 La Hulpe	100,00
NGY PROPERTIES INVESTMENT	RO-020335 Bucharest	100,00
NOR REAL ESTATE	RO-020335 Bucharest	100,00
REST ISLAND	B-1310 La Hulpe	100,00
THE ONE ESTATE	B-1310 La Hulpe	100,00
THE ONE OFFICE	B-1310 La Hulpe	100,00
VICTORIEI 174 BUSINESS DEVELOPMENT	RO-020335 Bucharest	100,00
Joint ventures companies consolidated by the equity method		
IMMOANGE	B-1160 Brussels	50,00
NAOS	L-8399 Windhof	55,00
VICTOR BARA	B-1160 Brussels	50,00
VICTOR ESTATES	B-1160 Brussels	50,00
VICTOR PROPERTIES	B-1160 Brussels	50,00
VICTOR SPAAK	B-1160 Brussels	50,00

THE MAIN CHANGES IN THE CONSOLIDATION SCOPE

DURING 2017:

The real estate company Silex s.a. was incorporated on 19 January 2017 by Atenor s.a. (81%) and its subsidiary Atenor Group Participations s.a. (9%) as part of the Realex project extension.

The French company BDS Une Fois SAS was incorporated on 5 July 2017 by Atenor s.a. (90%) and its subsidiary Atenor Group Participations SA (10%). It will develop the Bords de Seine project in Paris.

The Hungarian company Hungaria Greens Kft was incorporated on 24 August 2017 by Atenor s.a. (90%) and its subsidiary Atenor

Group Participations SA (10%). It will develop the Arena Business Campus project in Budapest.

The Romanian company NOR Real Estate srl was incorporated on 19 September 2017 by Atenor s.a. (90%) and its subsidiary Atenor Group Participations SA (10%). It will develop the @Expo project in Bucharest.

The French company Atenor France SAS was incorporated on 21 November 2017 by Atenor s.a. (90%) and its subsidiary Atenor Tools Company s.a. (10%).

NOTE 27 - AUDITOR'S FEES

The fees paid to auditors MAZARS scrl, represented by Mr Xavier Doyen, in respect of their audit of ATENOR s.a. (of both consolidated and non-consolidated figures) amounted to 45,411 Euro.

The fees paid to auditors MAZARS scrl, represented by Mr Xavier Doyen, in respect of their audit of the Belgian subsidiaries amounted to 62,578 Euro.

Fees for the audits of overseas subsidiaries assigned to the Mazars network amounted to 37,310 Euro in 2017.

MAZARS scrl also performed and billed additional services for the sum of 6,950 euros.

STATEMENT BY THE REPRESENTATIVES OF ATENOR

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

- the consolidated financial statements at 31 December 2017 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 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 s.a. and the consolidated companies as well as a description of the main risks and uncertainties which they are confronted with.

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

REPORT OF THE AUDITORS

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF ATENOR SA ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

In the context of our statutory audit of the consolidated financial statements of your company (the «Company») and its subsidiaries (jointly «the Group»), we hereby submit our statutory audit report to you. This report includes our report on the audit of the consolidated financial statements, as well as the report on other legal and regulatory requirements. These reports form part of an integrated whole and are indivisible.

We were appointed as statutory auditor by the general meeting of 24 April 2015, following the proposal formulated by the board of directors and following the recommendation by the audit committee. Our mandate will expire on the date of the general meeting which will deliberate on the consolidated financial statements prepared on 31 December 2017. We have performed the statutory audit of the consolidated financial statements of ATENOR more than 24 consecutive years.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and which show a consolidated statement of financial position total of K€ 593.180 and a profit for the year (share of the group) of K€ 22.179.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and consolidated financial position as at 31 December 2017 and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards («IFRS») as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Statutory auditor's responsibilities for the audit of the consolidated financial statements section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition in the appropriate period

Reference to annual report: Notes 1, 3, 4

Description of the key audit matter

ATENOR concludes real estate development transactions, in which the results are recognized according to the contractual commitments on the one hand and the degree of completion on the other hand.

Revenues are recognized to the extent that they can be considered as definitively acquired, after deduction of all reasonably foreseeable expenses related to the remaining obligations assumed by ATENOR towards the buyer, in particular in connection with the construction and the letting of the building.

For certain office buildings that are completed or in the process of being completed, the conclusion of leases is part of the real estate development process to enable the sale of these properties under the best conditions. These buildings are held in stock as long as they are held for sale in the normal course of business. Rental income is recorded in the statement of profit and loss.

We considered that the revenue recognition in the appropriate period is a key audit matter due to the specificities and varying degree of complexity of each property development project.

How the matter was addressed in the audit

For each promotion project, our control procedures were designed to understand the substance of the transaction and to assess the compliance of the accounting treatment with the applicable valuation rules and accounting standards. More specifically, if necessary on a sample basis, our work consisted in reading the monitoring reports of the executive committees and the financial reports prepared at the beginning of each project, checking the supporting documents of the budget estimates and the accounting operations carried out, verifying the contractual sales documents, analysing the discrepancies between the forecast data and the actual data and checking the percentage of completion calculation. With regard to the rental income and related expenses, our work was also intended to verify that the «incentives» (e.g. free rent, ...) granted to tenants were linearized on the duration of lease agreements and that the initial direct costs incurred as lessor in the negotiation and drafting of an operating lease were recognized as an expense over the lease period, on the same basis as rental income.

Risk of impairment on unsold projects, in progress or completed

Reference to annual report: Notes 1, 2, 4, 15

Description of the key audit matter

For projects and/or property development units that are not sold, in progress or completed, ATENOR may be required to take into consideration impairment losses in relation to the amounts recognized in inventory or in relation to future expected revenues, because of the inherent risks of the real estate development activity, in particular, changes in the economic and financial market conditions, waiting times for decisions by the administrative authorities, marketing difficulties and risks related to changes in direct and indirect taxation. Impairment losses are estimated on the basis of the net realizable value, which corresponds to the sales prices estimated as part of a normal development process of a real estate project, less the estimated costs at completion and the estimated costs necessary for the sale.

We considered that the identification and evaluation of the risk of impairment on unsold, in progress or completed projects is a key audit matter as these estimates use the judgment of the Management, both to identify the projects concerned and to determine the amount of the impairment losses to be taken into consideration.

How the matter was addressed in the audit

Depending on the type of asset (residential apartment, office building, land), we have evaluated the accounting estimates and assumptions used by comparing them with the various external data available, such as the evolution of sale prices and of the sale speed of units sold, the ongoing negotiations, the potential expert reports, the level of rental income, the changes in market capitalization rates according to the regular studies of independent appraisers or the changes in vacancy rates.

Accounting for certain events or significant transactions

Reference to annual report: Notes 3, 4, 6

Description of the key audit matter

During the year, certain significant events or transactions were subject to special verification due to their financial significance and/or the complexity of certain contractual terms that required some judgment in the accounting treatment.

For the year under review, the disposals of buildings A, B and D of the Vaci Greens project in Budapest constitute a key audit matter due to the relative importance of these operations both in relation to the turnover (K€ 130,310 or 62%) and to the operating result (K€ 24,680 or 70%) of the year.

How the matter was addressed in the audit

We have assessed the compliance of the accounting treatment of these significant events or transactions against the applicable framework.

We obtained and reviewed the underlying legal documentation and we verified the effective receipt of the sale prices and the correct recognition of variable elements related to rental and other guarantees, as well as the reversal in the profit and loss account of the translation differences previously recorded in equity, in proportion to the partial reversal of the portfolio of assets that these disposals represent.

Responsibilities of the board of directors for the consolidated financial statements

The board of directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with 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.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the director's report on the consolidated financial statements and the other information included in the annual report.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard (Revised) which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated financial statements and the other information included in the annual report, and to report on these matters.

Aspects related to the directors' report on the consolidated financial statements and to other information included in the annual report

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated financial statements and the other information included in the annual report, this report is consistent with the consolidated financial statements for the year under audit, and is prepared in accordance with the article 119 of the Companies' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you. We do not express any form of assurance conclusion on this annual report.

Statement related to independence

We did not provide services which are incompatible with the statutory audit of the consolidated financial statements and our audit firm and our network remained independent of the Company in the course of our mandate.

The fees for additional services which are compatible with the statutory audit of the consolidated financial statements referred to in article 134 of the Companies' Code are correctly disclosed and itemized in the notes to the consolidated financial statements.

Other statements

This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Brussels, 8 March 2018

MAZARS RÉVISEURS D'ENTREPRISES SCRL

Statutory auditor
represented by

Xavier DOYEN

ANNUAL ACCOUNTS

FINANCIAL ANNUAL REPORT 2017

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 s.a. are presented in a summary form. The submission of the statutory accounts will be made at the latest thirty days after their approval.

The auditor issued an unqualified opinion on the statutory annual accounts of ATENOR s.a.

The annual accounts, the management report and the report of the auditor are available upon simple request at the following address:
Avenue Reine Astrid, 92 in B-1310 La Hulpe.

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.

ASSETS

In thousands of EUR	2017	2016
Fixed Assets	425 327	354 606
I. Start-up expenses	942	1 156
II. Intangible assets	154	189
III. Tangible assets	175	230
IV. Financial assets	424 056	353 031
Current Assets	82 707	165 077
V. Amounts receivable after one year	4 734	15 139
VI. Stocks and orders in the course of execution	42 812	45 786
VII. Amounts receivable within one year	7 443	5 093
VIII. Investments	26 625	42 416
IX. Cash at bank and petty cash	724	56 180
X. Deferred charges and accrued income	369	463
TOTAL ASSETS	508 034	519 683

LIABILITIES

In thousands of EUR	2017	2016
Group capital and reserves	87 553	106 062
I. Capital	57 631	57 631
IV. Reserves	18 451	18 313
V. Accumulated profits	11 471	30 119
Provisions and deferred taxes	630	562
VII. A. Provisions for liabilities and charges	630	562
Creditors	419 851	413 058
VIII. Amounts payable after one year	155 491	185 054
IX. Amounts payable within one year	262 707	225 606
X. Accrued charges and deferred income	1 653	2 399
TOTAL LIABILITIES	508 034	519 683

INCOME STATEMENT

In thousands of EUR	2017	2016
I. Operating income	80 521	182 542
II. Operating charges	-77 580	-177 071
III. Operating profit (loss)	2 941	5 470
IV. Financial income	5 735	13 025
V. Financial charges	-15 203	-11 564
VI. Profit (loss) before taxes	-6 527	6 932
VIII. Incomes taxes	-4	-44
IX. Profit (loss) of the financial year	-6 531	6 888
XI. Profit (loss) of the financial year to be appropriated	-6 531	6 888

APPROPRIATION ACCOUNT

In thousands of EUR	2017	2016
A. Profit to be appropriated	23 565	42 243
1. Profit/loss for the financial year	-6 531	6 888
2. Profits brought forward	30 096	35 355
C. Appropriations to equity (-)	-138	-344
2. To legal reserve	138	344
Profit (loss) to be carried forward (-)	-11 471	-30 096
1. Profit to be carried forward	11 471	30 096
F. Profit to be distributed (-)	-11 955	-11 803
1. Dividends	11 639	11 487
2. Director's entitlements	316	316

VALUATION RULES

- Start-up costs: fully amortised in the year in which they are recorded.
- Intangible assets: added to the balance sheet at their acquisition value. The depreciation is based on the linear method at the rates allowed for tax purposes.
- Tangible assets: added to the balance sheet at their acquisition price or their contribution value.

The depreciation of major assets is based on the linear method at the rates allowed for tax purposes.

Capital assets such as the replacement of furniture or office supplies are fully depreciated in the year of acquisition.

- Financial assets: participations and other securities in portfolio.

In general, our participations are valued at their acquisition value, taking into account the amounts remaining to be re-leased, possibly modified by write-downs and or revaluations made in previous years. This rule is however departed from if the current estimated value is permanently less than the value determined as specified above. In this case, a reduction equal to the observed impairment is recorded.

Losses of value are reversed when a lasting added value is observed on the securities that have been the subject of such a reduction.

The estimated value is fixed objectively for each security individually on the basis of one of the following elements:

- > market value (when it is significant);
- > subscription value (for recent acquisitions);
- > value of the net asset based on the last balance sheet published (*);
- > value of the compensation claimed or provided for in the negotiations in progress when it concerns the securities of Zairianised companies;
- > other information in our possession in particular enabling the estimation of the risks of various hazards;
- > realisation value.

(*) The most commonly used criterion.

For investments in foreign companies, the conversion into Euro is done at the exchange rate at the end of the year.

The valuation method for each will therefore be used for each security from year to year unless a change in circumstances leads us to opt for another method. In this case, a special mention is made in the annex.

- Stocks:

Properties acquired or constructed for resale are recognised in stocks. They are valued at their higher rate cost price taking into account the percentage of progress of the manufacturing works or services.

This progress percentage represents the ratio of costs incurred and recognised at the reporting date to the total project costs (the budget).

Losses of value are made on the basis of the kind of activity.

- Debts and other creditors: registered at their original value
Losses of value are made where the estimated realisable value is less than the amount of the original receivable as well as in the case of receivables on nationalised assets whose reimbursement has not been made subject to a regulation.
- The valuation of litigation and guarantees is based on the criteria for recovery.
- Cash equivalents: recognised at their nominal value.
- Debts: recognised at their nominal value.

GENERAL INFORMATION

IDENTITY CARD

ATENOR 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 our website www.atenor.be.

REGISTERED OFFICE OF ATENOR

Avenue Reine Astrid, 92

1310 La Hulpe

Belgium

Phone: +32-2-387 22 99

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 SHARE

Euronext Brussels

ISIN code: BE0003837540

STOCK EXCHANGE LISTING OF ATENOR BONDS

Alternext Brussels: bonds 2016-2021 at 3.0 %

Code ISIN: BE0002261304

Alternext Brussels: bonds 2016-2022 at 3.125 %

Code ISIN: BE0002263326

Alternext Brussels: bonds 2016-2023 at 3.50 %

Code ISIN: BE0002262310

Alternext Brussels: bonds 2016-2024 at 3.75 %

Code ISIN: BE0002264332

Alternext Brussels: obligations 2018-2021 à 2,25 %

Code ISIN: BE6302065725

Alternext Brussels: obligations 2018-2025 à 3,50 %

Code ISIN: BE6302277908

REUTERS

ATEO.BR

BLOOMBERG

ATEB BB

FINANCIAL CALENDAR ⁽¹⁾

27 APRIL 2018

General Assembly 2017

Communication relating to the dividend payment

3 MAY 2018

Dividend payment (subject to the approval of the General Assembly)

17 MAY 2018

Intermediate declaration for first quarter 2018

30 AUGUST 2018

Half-year results 2018

15 NOVEMBER 2018

Intermediate declaration for third quarter 2018

11 MARCH 2019

Annual results 2018

26 APRIL 2019

General Assembly 2018

FINANCIAL SERVICES

The financial service in charge of the dividend for 2017

(coupon no. 12) is provided by Euroclear Belgium

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

(1) Communicated dates subject to changes





FOR MORE INFORMATION

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Website: www.atenor.be • VAT: BE 0403 209 303 • RPM Nivelles • Investor Relations : Sidney D. Bens, Chief Financial Officer