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ANNUAL RESULTS 2017

Regulated information

La Hulpe, 8 March 2018

A. Management Report

ATENOR ended the 2017 financial year with a net consolidated result of 22.18 million Euro, in comparison with 20.38 million Euro in 2016.
The Board of Directors will propose a gross dividend of € 2.08 per share to the General Assembly.

Table of key consolidated figures (in thousands of €) - Audited accounts

Résultats	***31.12.2017***	***31.12.2016***
Net consolidated result (group share)	22,179	20,375
Profit per share (in Euro)	4.07	3.73
Number of shares	5,631,076	5,631,076
of which own shares	198,622	174,735
Balance sheet	***31.12.2017***	***31.12.2016***
Total assets	593,180	686,090
Cash position at the end of the period	48,132	145,395
Net indebtedness (-)	-328,999	-305,078
Total of consolidated equity	149,640	139,395

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 (Bucarest) buildings and the Nysdam building (La Hulpe) for 9.75 million Euro.

The other operating revenue (€8.56 M) mainly includes the reinvoicing 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 indebtness.

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).

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 security.
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

Projects in our portfolio

Over the course of 2017, all our projects developed favourably. 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 Biestebroeck, 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 Arηs 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 A)** – 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 Hungària, Budapest (75,500 m² of office)*
The 19,000 m² site acquired last August will serve to build a campus of four office buildings totalling 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 favourable 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.

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.

Financial Calendar

– Ordinary General Assembly 2017	27 April 2018
– Dividend payment (subject to the approval of the General Assembly)	3 May 2018
– Intermediate declaration for first quarter 2018	23 May 2018
– Half-year results 2018	30 August 2018
– Intermediate declaration for third quarter 2018	15 November 2018
– Year results 2018	11 March 2019
– General Assembly 2018	26 April 2019

Contacts and Information

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B. Summary Financial Statements

Consolidated statement of comprehensive income

	In thousands of EUR 2017	2016
Operating revenue	**220.430**	**156.830**
Turnover	209.730	141.421
Property rental income	10.700	15.409
Other operating income	**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 (-)	**-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 (-)	-2.767	-3.583
Depreciation and amortization (-)	-269	-500
Impairments (-)	1.346	-8
Other operating expenses (-)	-50.635	-38.216
RESULT FROM OPERATING ACTIVITIES - EBIT	***35.379***	***35.353***
Financial expenses (-)	**-11.343**	**-10.200**
Financial income	**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) (-)	**-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	EUR 2017	2016
Total number of issued shares	**5.631.076**	**5.631.076**
of which own shares	**198.622,00**	**174.735,00**
Weighted average number of shares (excluding own shares)	**5.451.285,00**	**5.456.769,00**
Basic earnings	**4,07**	**3,73***
Diluted earnings per share	**4,07**	**3,73***
Proposal of gross dividend per share	**2,08**	**2,04**

Other elements of the overall profit and losses	In thousands of EUR 2017	2016
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 adjusments	476	1.006
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)

B. Summary Financial Statements (continued)

Consolidated statement of the financial position

ASSETS

In thousands of EUR

	31.12.2017	31.12.2016
NON-CURRENT ASSETS	**43.806**	**65.577**
Property, plant and equipment	287	355
Intangible assets	327	2.564
of which goodwill	173	2.374
Investments consolidated by the equity method	20.123	20.589
Deferred tax assets	5.404	6.000
Other non-current financial assets	12.745	12.971
Non-current trade and other receivables	4.920	23.098
CURRENT ASSETS	**549.374**	**620.513**
Inventories	443.973	429.209
Other current financial assets	25.011	41.944
Current tax receivables	8.283	4.241
Current trade and other receivables	44.018	36.178
Current loans payments	221	185
Cash and cash equivalents	23.121	103.451
Other current assets	4.747	5.305
TOTAL ASSETS	**593.180**	**686.090**

LIABILITIES AND EQUITY

In thousands of EUR

	31.12.2017	31.12.2016
TOTAL EQUITY	**149.640**	**139.395**
Group shareholders' equity	**146.717**	**136.655**
Issued capital	57.631	57.631
Reserves	97.281	86.116
Treasury shares (-)	-8.195	-7.092
Non controlling interests	**2.923**	**2.740**
Non-current liabilities	**213.777**	**245.253**
Non-current interest bearing borrowings	198.682	226.422
Non-current provisions	6.718	2.314
Pension obligation	476	335
Deferred tax liabilities	7.037	15.193
Current trade and other payables	0	195
Other non-current liabilities	864	794
Current liabilities	**229.763**	**301.442**
Current interest bearing debts	178.449	224.051
Current provisions	0	0
Current tax payables	4.930	4.243
Current trade and other payables	42.980	66.964
Other current liabilities	3.404	6.184
TOTAL EQUITY AND LIABILITIES	**593.180**	**686.090**

B. Summary Financial Statements (continued)

Consolidated cash flow statement (indirect method)

	In thousands of EUR	
	31.12.2017	**31.12.2016**
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	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	-7.574	99
- (Profit)/Loss on disposal of fixed assets	-1.839	-2.692
- SOP / IAS 19	-197	-294
- *Adjustments for non cash items*	*-2.020*	*-1.933*
- 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
- *Net variation on working capital*	*-31.413*	*35.205*
- 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
- *Subtotal of acquired investments*	*-853*	*-9.392*
- Disposals of intangible and tangible fixed assets	81	44
- Disposals of financial investments		
- Reimbursement of loans	910	19.765
- *Subtotal of disinvestments*	*991*	*19.809*
Cash from investment activities (+/-)	**138**	**10.417**
Financial activities		
- Treasury shares	-1.124	-422
- Proceeds from borrowings	45.815	165.492
- Repayment of borrowings	-119.209	-95.645
- Interests paid	-9.615	-8.964
- Dividends paid to company's shareholders	-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	48.132	145.396

B. Summary Financial Statements (continued)

Consolidated statement of changes in equity

In thousands of EUR

	Issued capital	Hedging reserves	Own shares	Consolidated reserves	Profit/loss of the period	IAS 19R reserves	Cumulative translation adjusments	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	-	-	-	-	-	(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	-	-	-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	-	-	-	-	-	-140	476	-	336
Total comprehensive income	***-***	***-***	***-***	***-***	***22.179***	***-140***	***476***	***-117***	***22.398***
Capital increase	-	-	-	-	-	-	-	-	-
Paid dividends	-	-	-	-11.154	-	-	-	-	-11.154
Own shares	-	-	-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***

SELECTIVE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ON 31.12.2017

Note 1. Corporate information

The consolidated financial statements of the Group as at 31 December 2017 including the annual report including all financial statements and attached notes were adopted by the Board of Directors on 6 March 2018.

Note 2. Principal accounting methods

1. Basis for preparation

The consolidated financial statements as at 31 December 2017 were drawn up in accordance with the IFRS standards as adopted in the European Union.

2. Consolidation principles and significant accounting principles

The evaluation rules adopted for the preparation of the consolidated financial situation as at 31 December 2017 have not been modified from the rules followed for the preparation of the annual report as at 31 December 2016, except for the possible adaptations made necessary by the entry into force of the IFRS standards and interpretations applicable as from 1 January 2017.

Standards and interpretations became effective on a mandatory basis in 2016 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

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

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 on 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 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.

Note 3. Seasonal information

The life cycle of the real estate projects of ATENOR can be summarised in three major phases: the land purchase phase, the project development and construction phase, and the marketing and sales phase. The length and process of these phases are neither similar nor comparable from one project to another.
Follow-up and compliance with the planning of each of these projects are assured by the implementation of a regular communication system. Internal control is provided by:

- an executive committee that meets monthly for each of the projects and which is formalised by minutes.

As soon as a project reaches the construction phase, a monthly progress meeting is held with:

- the external specialists to ensure that the agreed deadlines are complied with and
- the General Contractor in charge of construction.

This communication system allows ATENOR to determine, monitor and resolve well upfront all potential operational risks well.

Note 4. Other current financial assets, cash and cash equivalents

	In thousands of EUR	
	2017	**2016**
	Current	Current
Other current financial assets	25.011	41.944
Cash and cash equivalents	23.121	103.451
Total cash at the end of the period	**48.132**	**145.395**
Fair value	**48.132**	**145.395**
Valuation	level3	level3

Read pages 7 and 8 – comments relating to the main items of the consolidated balance sheet

Note 5. Financial Liabilities

In thousands of EUR

	Current	**Non-current**	**Total**
	Up to 1 year	**More than 1 year**	
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**

Repayment of the €60 million bonded debt in October 2017, combined with the sales of buildings in Hungary, offset by the continuation of portfolio developments mainly account for the net reduction in financial debts as at 31 December 2017 (€ -73.34 million).

In 2016, ATENOR issued, in the context of its new European Medium Term Notes (EMTN) programme, four bond tranches of €30 M (3% - maturity 2021), €18 M (3.125% - maturity 2022), €30 M (3.50% - maturity 2023) and €8.1 M (3.75% - maturity 2024). These bonds are quoted on Alternext Brussels.

As at 31 December 2017, the "fair value" is respectively €29.81 million (99.36%), €17.51 million (97.26%), €29.62 million (98.73%) and €7.91 million (97.71%).

We remind you that ATENOR set up, in November 2014, the private placement of a 5-year bond of 25 million Euro whose maturity is fixed at 31.12.2019.

Note 6. Paid Dividends

	In thousands of EUR	
	2017	**2016**
Dividends on ordinary shares declared and paid during the period:	11.154	10.911

Note 7. Income taxes

	In thousands of EUR	
I. Income tax expense / Income - current and deferred	**2017**	**2016**
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**

Read page 6

Note 8. 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.
The ATENOR activity report provides more detailed information on the results and purchases and sales during the period reviewed.

Note 9. 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
Exit from the consolidation scope		
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 granded loans)	113.486	124.744

Refer to the explanations on page 2.

Note 10. Stock option plans for employees and other payments based on shares

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).

Taking the exercise of the SOP's and provisions into account, the total charge of the exercise of the SOPs (ATENOR, AGI and AGP) comes to €2.11million.

Note 11. Related Parties

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**

As a reminder, on 7 July 2016, ATENOR (55%) and a group of private investors (45%) together set up the Luxembourgian company NAOS, which develops an office and retail building on the Belval site.
Following the demerger of the company Immoange, two new companies are included in the scope of consolidation of ATENOR: Victor Spaak and Victor Bara.
Within the framework of the Victor mixed project, the (50/50) joint-venture with BPI has led to the consolidation by the equity method of the companies Immoange, Victor Properties, Victor Estates, Victor Spaak and Victor Bara.
No other important change was made concerning the related parties.
The updated information regarding other related parties will be disclosed in a note in the annual report.

Note 12. Derivatives

ATENOR does not use derivative instruments for trading purposes. No new contract was implemented to cover rate hedges or foreign exchange hedges during 2017.

Note 13 Own shares

Movements in own and treasury shares	**Amount (in thousands of EUR)**	**Number of own 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**

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.

Note 14. 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.

<u>Note 15. Events after the closing date</u>

- 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.

C. Statement by the Management

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

- The summary financial statements at 31 December 2017 were prepared in conformity with IFRS standards and provide a true and fair view of the assets, of the financial situation and of the profits of ATENOR and of the enterprises included in the consolidation;[1]
- The financial annual report contains a true reflection of the major events and of the principal transactions between related parties occurring during the financial year and of their impact on the summary financial statements as well as a description of the main risks and uncertainties.

D. External audit

The Statutory Auditor, MAZARS – Company Auditors SCRL represented by Mr Xavier DOYEN, has completed the audit work and confirmed that it does not have any qualification with respect to the accounting information included in this press release and that it corresponds with the financial statements as approved by the Board of Directors.

[1] Affiliated companies of ATENOR in the sense of article 11 of the Company Code