COMPANY NOTE

2 October 2012

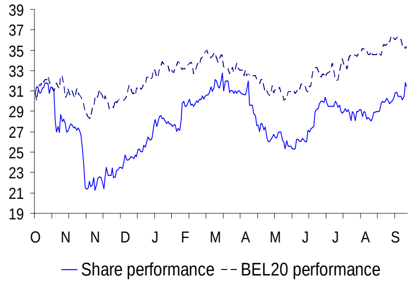
ATENOR

Shifting up to top gear

REAL ESTATE INVESTMENT & SERVICES
BELGIUM

CURRENT PRICE	€ 31.45
TARGET PRICE	€ 35.00

ACCUMULATE
RATING UPGRADED



Source: Thomson Reuters Datastream

FY/e 31.12	2011	2012E	2013E	2014E
Current Result (€ m)	11.3	10.2	14.9	21.2
Portfolio Result (€ m)	0.0	0.0.	0.0	0.0
Net Profit (€ m)	11.3	10.2	14.9	21.2
Diluted Adjusted EPS	2.25	2.03	2.96	4.20
NAV Per Share	19.5	19.5	20.4	22.0
P/E	14.00	15.46	10.63	7.49
EV / EBITDA	-	-	-	-
DPS	2.00	2.00	2.10	2.52
Dividend Yield	6.4%	6.4%	6.7%	8.0%

Source: KBC Securities

Bloomberg	ATEB BB
Reuters	ATEO.BR
www.atenor.be	
Market Cap	€ 157m
Shares outst.	5.0m
Volume (Daily)	€ 0.06m
Free float	51%

Next corporate event

Results 3Q12: 15 November 2012

Performance	1M	3M	12M
Absolute	8%	15%	0%
Rel. BEL20	6%	6%	-11%
12-m Hi/Lo			€ 32.75/21.28

We have overhauled our model and raised our TP from € 34 to € 35. Following a transition period, Atenor is back on track with a development pipeline that has never been fuller, including 12 projects representing a total surface of 630k m². We expect these projects to generate € 218m of capital gains over the coming years. Hence, we estimate that the dividend will increase by 25% to € 2.52 p.s. by 2014. Accumulate rating.

- **Development pipeline at its peak.** After the previous cycle ending in 2008 and a transition period from 2009-2011, Atenor has built up a development pipeline of more than 600k m² including some highly profitable projects. We expect the company to reap a rich harvest in 2014-2015 with an estimated total capital gain of € 218m, which corresponds to an average gain of € 374 per m². This is slightly below the historical range (€ 400-€ 500/m²), but results from the incorporated discount related to the uncertainty in Hungary and Romania.
- **Urban strategy.** Historically, the company was focused on offices, but it has lately also been developing residential properties and mixed urban development sites such as City Docks and the project in Mons.
- **Valuation.** We have upgraded our rating from Hold to Accumulate and increased our target price to € 35 from € 34. Based on the metrics (€ 38 theoretical fair value, flawless track record, solid relationships with authorities and promising development portfolio), Atenor would normally deserve a Buy, but we feel that the legal case regarding the liquidity companies justifies a more cautious Accumulate rating. However, we see additional TP potential in earlier-than-expected project disposals, clarity on the company's financing in the development phase and a positive outcome in the liquidity companies case.

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EXECUTIVE SUMMARY

Pure developer in offices, residential and other urban development projects

Atenor is a pure sang developer. Historically, the company was focused exclusively on offices, but it has lately also begun developing residential properties and very mixed urban development sites such as City Docks and the recently-announced project in Mons. The company employs 37 staff and currently has twelve projects underway, of which one (the South City hotel) is finished and for sale.

Predominantly active in Belgium, but it also has projects in Luxembourg, Budapest and Bucharest

Brussels (Belgium) is the company's hometown. However, Atenor also has an international scope with a residential project in Luxembourg-city and two office projects in Budapest and Bucharest (Hungary and Romania). We understand that management is constantly looking for new opportunities and cross-border activities but they need to match the remaining portfolio on a risk and return basis before they can begin.

Current pipeline has never been fuller. We expect € 224m of capital gains

The development pipeline has never been fuller, with 12 projects representing a total surface for Atenor of 630k m². We expect these projects to generate € 218m of capital gains over the coming years. This corresponds to an average gain of € 374 per m² which is slightly lower than the company's historical average range between € 400 and € 500 per m², but largely results from the projects in Romania and Hungary. The uncertainty regarding the outcome of these projects has led us apply a discount on the expected gains.

Boom years ahead

25% increase in dividend expected

After refuelling in the 2009-2011 period, Atenor is gaining momentum in 2012 and 2013 and should reach top gear by 2014. The success of the UP-site project is therefore significant, while we expect Atenor's results in the coming years to be further coloured by lucrative projects like Trebel and les Brasseries de Neudorf. We therefore expect the company to increase its dividend by 25% to € 2.52 p.s. by 2014, and this despite the uncertainty surrounding the Budapest and Bucharest projects, for which we have made conservative earnings forecasts.

Accumulate and € 35 PT

Our updated model reflects a theoretical fair value of € 38.23 per share. We therefore increase our target price to € 35 and upgrade our rating from Hold to Accumulate. We apply a 7.5% discount to our fair value calculation in order to take into account the potential impact of the court case regarding cash companies. The new target price corresponds to a dividend yield of 5.7%. Potential target price triggers are earlier-than-expected project disposals, clarity on the company's financing in the remaining cash-intensive development phase and a positive outcome in the liquidity companies case.

SWOT ANALYSIS

STRENGTHS

- Good relationships with local and regional authorities
- Strong track record in completing projects with a solid balance sheet
- Very promising development pipeline guarantees capital gains in the coming years
- Stable shareholder base supports growth

WEAKNESSES

- Expensive investment in Central and Eastern Europe at pre-office crisis levels
- Has attained the maximum level of projects under its current equity base

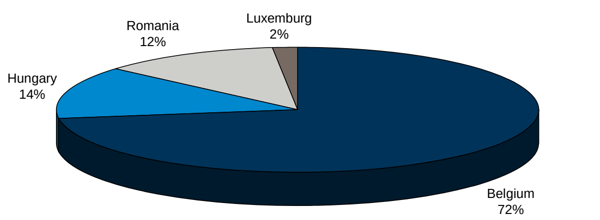
OPPORTUNITIES

- More projects in the residential sector in Luxembourg
- Exploitation of the challenging Brussels office market for other deals like the Trebel project
- Positive outcome in legal case regarding liquidity companies
- The ensured presence in Wallonia through projects with low profitability opens the door to big fish

THREATS

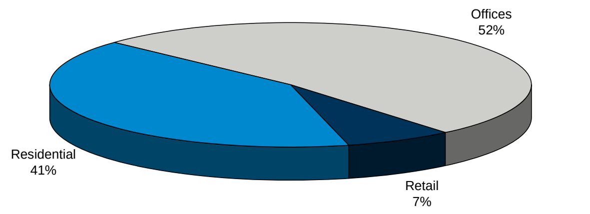
- Failure to meet challenges in the Hungarian and Romanian office sectors could weigh on cash
- Low visibility on funding for the cash-intensive construction phase

GEOGRAPHIC PRESENCE



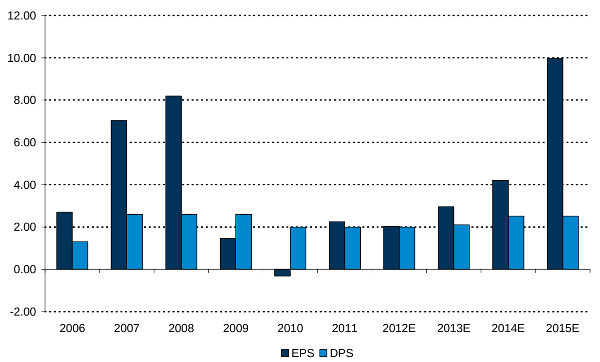
Source: Atenor

SECTOR DIVERSIFICATION



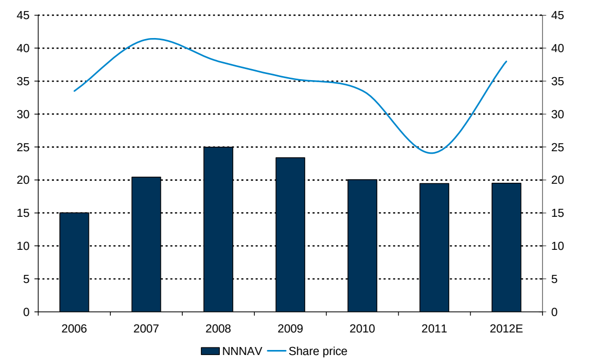
Source: Atenor

EPS - DPS



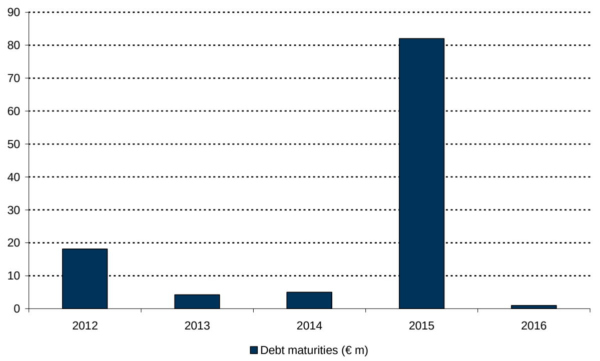
Source: Atenor, KBC Securities

SHARE PRICE - NAV



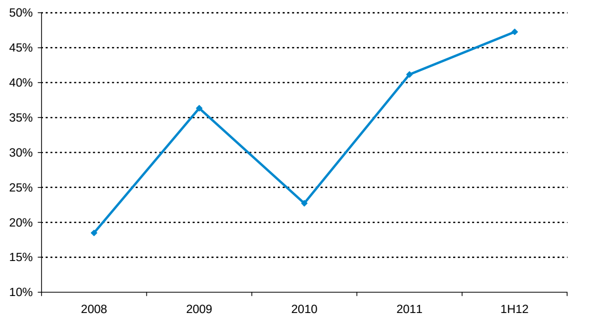
Source: Atenor, KBC Securities

DEBT MATURITY



Source: Atenor

DEBT RATIO



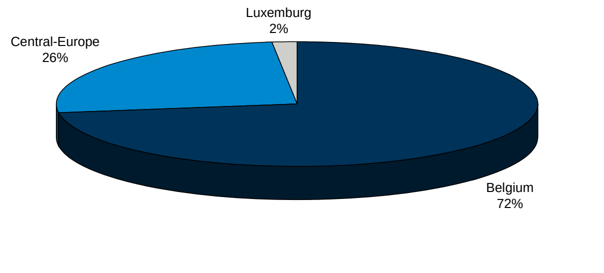
Source: Atenor

BUSINESS MODEL

Pure developer focused on offices, residential properties & mixed projects. Realization of 268k m² since 1991

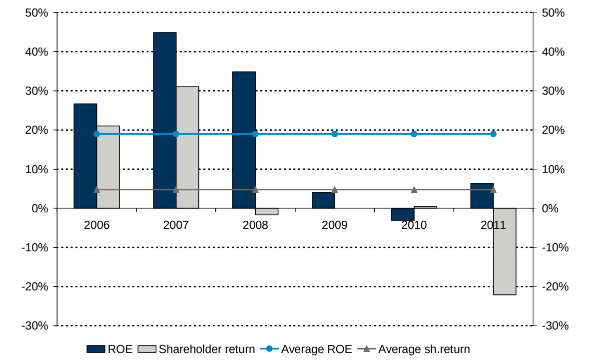
Atenor is a pure sang developer. It has built up strong expertise in recent years through the realization of multiple projects such as North Galaxy (109k m², offices, Brussels), President (29k m², offices, Luxembourg) and Media Gardens (27k m², residential, Brussels). Currently, most projects are located in Belgium, but the company is also active in Luxembourg, Hungary and Romania. In the past, the company was focused solely on offices, but the current development pipeline is a mix of offices, residential and retail. The company employs 37 people and currently has twelve projects underway, of which one is finished and for sale.

GEOGRAPHIC SPREAD



Source: Atenor

PORTFOLIO GROWTH



Source: Atenor, KBC Securities

SHAREHOLDER RETURN

Cyclical in nature…

We detect two trends in the company's recent performance. First of all, there is the cyclicality inherent to the company's business profile. After the sale in 2008 of the big President project, Atenor had no projects close to completion, with the result that direct returns dropped in 2009-2010. Secondly, the crisis has exerted pressure on development margins. We believe these factors to be the main creators of the cyclicality shown in the graph above; i.e. an impressive performance in 2006-2008 followed by lower results over 2009-2011. However, for the years to come, the development pipeline again looks very promising.

…further exacerbated by the financial crisis

The impact of both trends is also reflected in the total shareholder return (share improvement + gross dividend), which has been hit even more severely than the ROE. Other elements also play a role here, such as the financial crisis in 2008, which exercised downward pressure on shares in the stock market (irrespectively of the company's own performance) and the impact of a potential accusation in relation to liquidity companies dating back to 1998. Over 2006-2011, we observe an average total shareholder return of 4.8%, while the company's average ROE over the same 5-year period amounts to 19%.

COMPANY HISTORY

Since 1997, Atenor has been a pure real estate developer

In 1997, the company changed its name to Atenor and sold 31% of its shares on the stock market. After briefly venturing into private equity investing, the company shifted its strategy to concentrate solely on real estate development. This led to successful projects up until 2008, when the crisis halted the company's progress.

SHAREHOLDER STRUCTURE

Shareholders	# of shares	Participation
Sofinim	604,880	12%
TRIS	604,880	12%
Luxempart	523,500	10%
ALVA	504,880	10%
Stéphan Sonneville s.a.	245,292	5%
Total Reference shareholders	**2,483,432**	**49%**
Treasury shares	157,513	3%
Public	2,397,466	48%
Total	**5,038,411**	**100%**

Source: Atenor

SHAREHOLDER STRUCTURE

Reference shareholders incentivise mgmt for a stable and fair dividend policy

Management's strong track record together with the company's high development margins limit risk for investors to a slight cyclicality that is inherent to the business profile. This explains the company's secure shareholder base that believes in the long-term potential of the company. They incentivise management to employ a stable and fair dividend policy. Below, we provide a brief description of Atenor's reference shareholders.

Sofinim's stake in Atenor is crucial to gaining knowledge

Sofinim is the Private Equity investment vehicle controlled by long-term investor Ackermans & van Haaren (74%) and Dutch-based investor NPM Capital. By definition, Sofinim's assets are always up for sale, but Atenor is the porfolio's odd one out. The Atenor stake is valued on a marked-to-market basis at € 18.5m (4.3% of Sofinim NAV). Note that AvH's portfolio has an important real estate pillar that includes a land bank, promotional activities, a REIT and development activities. The indirect Atenor investment therefore provides AvH with crucial knowledge about the geographic areas where Atenor is present (Belgium & Luxemburg). We therefore see no reason why AvH would be willing to shed its strategic stake.

TRIS is controlled by the Donck-family (KBC)

TRIS is the investment vehicle controlled by the Donck-family, which is better known for its anchor stone investment in KBC Group. A very long-term investor by nature, we also see no reason why TRIS would contemplate selling its Atenor stake.

Luxempart is important for Atenor's Luxembourg projects

In 2006, Luxembourg-based investor Luxempart acquired a 10% equity stake in Atenor from existing investors Alva, 3D, Sofinim and Bank Degroof, all of which remained key shareholders after the transaction. Luxempart is a quoted, long-term investor that takes strategic stakes in a wide variety of sectors, most of which are situated in or close to Luxembourg. This local connection is an important part of Atenor's development projects in Luxembourg. The Atenor stake accounts for 1.7% of Luxempart's estimated NAV, but despite its small weight we do not expect Luxempart to sell the stake.

Aldo Vastapane is founder of the Brussels Manhattan project

Alva is the investment vehicle of Aldo Vastapane, who in the past served as an honorary director of GBL and as non-executive director of Atenor Group until 27 April 2007. Mr. Vastapane founded the Brussels Manhattan-project (current North Area). We have every reason to believe that his Atenor holdings are very long-term.

A shareholder agreement was in place over 2006-2011

Finally, note that in 2006, ALVA, Luxempart, TRIS, Sofinim and Stéphan Sonneville s.a. (represented by the CEO) agreed to a 5-year shareholder agreement, upon the entry of Luxempart. This agreement was renewed in 2011 for another 5-year period.

ATENOR STRATEGY

Developments on prime locations respond to urban lifestyles

Atenor's strategy responds to urban population trends and evolving work patterns. The company's projects offer complete solutions in areas such as mobility, protection and pollution. It invests in carefully-planned projects with a focus on location (predominantly prime), technical quality, investment costs and the possibility of rent and sale in the future. It applies the latest technologies, makes use of sustainable materials and builds close to public transport stations.

Mainly Brussels, but also cross-border

Brussels is the company's hometown, but Atenor also has international scope, with a residential project in Luxembourg city and two office projects in Budapest and Bucharest (Hungary and Romania). We understand that management is constantly looking for new opportunities and cross-border activities but they need to match the rest of the portfolio on a risk and return basis before being started.

Large-scale urban development projects

While Atenor initially only invested in single-purpose buildings, we now see increased involvement in large-scale projects containing offices, residential and retail-areas. More specifically, the company's development pipeline includes more and more large urban development projects containing offices, apartments, shops, schools, and crèches. Examples include City Docks and the recently-announced project in Mons.

CONNECTIONS ARE KEY

Strong relationship with authorities

Constructive dialogue & alignment of goals

In addition to the purely operational aspects of development projects such as finding a suitable location, negotiating the price, requesting permits, etc (all of which will be discussed in more detail below), we highlight the importance of good relationships with local and regional authorities, which can facilitate the approval of large-scale projects. Management's skill at fostering such relationships is a key strength, though it is important to note that permitting is the least controllable and thus the most difficult phase of the development process.

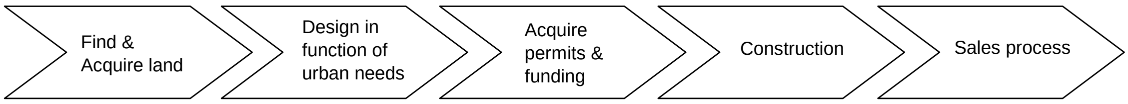
DEVELOPMENT PROCESS

5-phase development process

Each project passes through five phases (acquisition, design, permitting, construction and sale) before being finalized. We will briefly explain each step below.

- **Acquisition.** At the start of a project, it is crucial to have a good idea of whether a given area will be of interest in the future. This selection of the best locations is a combination of intuition, research and analysis. Subsequently, the financial and legal negotiations can start to buy the land at the best possible terms.
- **Design.** In the design phase, the company applies its technical, architectural and legal expertise to developing a project that responds to market demand. In this sense, it is important for Atenor to identify an architect capable of translating its ideas efficiently. Management also appoints a project manager to supervise and lead the project through to finalization. In the meantime, it fine-tunes its attainability and cost estimates.

DEVELOPMENT PROCESS



Source: KBC Securities

- **Permitting & Financing.** The permitting phase starts from the moment that the base design is finished. The Project Manager coordinates the different dossiers for the construction works. Each permit request follows severely regulated procedures under specific terms. During this phase the Consulting committee, which takes into account the reactions of nearby residents and other opinion polls, can demand some changes to the project. At the end of this phase, the company needs to have obtained funding before the construction works can begin.
- **Construction.** When all permitting hurdles have been crossed, the company can start the construction works. They usually begin with demolition or land soil works. Atenor works with different contractors and sub-contractors to execute the works, while the project manager supervises the evolution on the yard and is responsible for the project timing.
- **Sale.** The moment of sale is different for each project. A project may be sold in advance, during the design phase, during construction or when the project is completely finished.

DEVELOPMENT PORTFOLIO

Pipeline with 12 projects at its peak

Atenor's development pipeline has never been fuller, with 12 projects representing a total surface for Atenor of 630k m² (700k m² in total). We expect these projects to generate € 218m of capital gains over the coming years. This corresponds to an average gain of € 374 per m² which is slightly lower than the company's historical average range between € 400 and € 500 per m², but this is largely due to uncertainty surrounding the projects in Romania and Hungary. This uncertainty has prompted us to apply a discount on the expected gains.

DEVELOPMENT PIPELINE

Project	Location	Investment (€ m)	GLA (m²)*	Atenor share	Est. capital gain (€ m)	Est. capital gain (€/m²)	Permit	Delivery
South City (incl. Hotel)	Brussels	7.6	40,010	40%	9.3	583	n.r.	2010-11
UPsite	Brussels	18.0	79,850	100%	34.1	427	1H10	2011-14
Europa	Brussels	25.0	44,000	100%	22.2	504	1H14E	2013-15
City docks	Brussels	13.9	100,000	100%	40.3	403	2H13E	2014-18
Trebel	Brussels	25.0	32,000	100%	33.0	1,031	2H12E	2015-16
Les Brasseries de Neudorf	Luxembourg	12.3	11,400	100%	12.7	1,111	1H13E	2013-14
Victor	Brussels	10.7	100,000	50%	17.7	354	1H14E	2013-15
Port du Bon Dieu	Namen	7.0	16,000	100%	5.8	361	2H12E	2013-14
Hermes Business Campus	Romania	45.0	78,212	100%	7.8	99	1H10	2014-16
Vaci Greens	Hungary	40.0	87,354	100%	9.4	108	1H10	2014-15
Mons	Mons	16.0	100,000	100%	22.0	380	1H14E	2015-19
Les Anciennes Sucreries	Ath	2.0	12,000	100%	4.0	333	1H14E	2015-19
Total		222.7	700,826		218.3	374		

Source: KBC Securities *626,820 Atenor share

South City Hotel for sale (1H13E)

Four projects are currently contributing to the results. The South City (Hotel), delivered in March 2011, is running smoothly and is contributing to earnings pending its sale. Atenor has a 40% stake in this hotel. We estimate the capital gains of the complete South City project (including the already sold offices) at € 583 per m². For the remaining 7,200m² hotel, we expect only a limited net gain in 2013 of € 0.5m.

UP-site project exceeds expectations

Secondly, the commercialization of the UP site project has exceeded expectations with a pre-sale of 40% of the apartments and the sale of three out of the four office blocks available. Moreover, the emblematic residential tower of this project further enhances Atenor's brand awareness in Belgium. We therefore see this project as a major success. In order to recover the tax loss carry forwards, Atenor has put part of this project on its balance sheet. As a result, the project allows a profit to be booked in the P&L, while the actual cash flows will be received as the project progresses. Hence, in addition to the company's other projects, Atenor already books profits on its residential tower prior to the actual sales.

Trebel project: Win!

Thirdly, we would like to highlight the Trebel project, which Atenor announced in June. As our morning note title at the time suggested (Trebel: Win!), this project is one of the jewels in Atenor's development pipeline. Even before it had obtained the final building permit, Atenor had sold the 32,000m² project to the European Parliament for € 122.5m. At an estimated acquisition price of € 25m we expect this project to generate a capital gain per m² of € 1,031. This project and the UP-site project are the only two which Atenor has put on the balance sheet in order to recover the tax loss carry forwards. We expect therefore to see the same pattern in the P&L for this project as with the UP-site project discussed above, albeit in a slower manner. The cash impact – i.e. € 122.5m cash inflow – is however only expected in 2016 on delivery.

Rental contracts on City Docks till end FY12

The fourth project currently contributing to the company's result is the City Docks project in Anderlecht. Atenor receives a yearly rental income from the industrial building standing on this land bank. Demolition of this building is expected in 1H14.

P&L FLOW (€ th)

Project	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E
South City (Hotel)	100	500						
Upsite	13,396	9,900	5,300					
Europa			5,097	17,097				
City docks	210	-	-	10,079	10,079	10,079	10,079	
Trebel	7,000	3,000	3,000	9,000	11,000			
Les Brasseries		8,440	4,220					
Victor			8,856	8,856				
Port du Bon Dieu		4,350	1,450					
Hermes Business Campus				7,761				
Vaci Greens			4,719	4,719				
Mons				4,400	4,400	4,400	4,400	4,400
Les Anciennes Sucreriers					1,000	1,000	1,000	1,000
Total	20,706	26,190	32,642	61,912	26,479	15,479	15,479	5,400

Source: KBC Securities

Part of UP-site and Trebel project taken on balance sheet

The above table provides an overview of the expected capital gains in the coming years. We can clearly see that the results of the UP-site and Trebel project are spread over time. However, we also estimate a gradual earnings inflow from the mixed projects such as City Docks, Mons and Les Anciennes Sucreries. This is for the simple reason that these projects contain multiple buildings which are expected to be sold over different time intervals.

BALANCE SHEET

Since 2009, inventory value has increased by 223%

We see the Working Capital Requirement growing in parallel with the wider and advancing development pipeline. This increase is more specifically reflected in the company's inventories which have grown by 223% since 2009, from € 96m to € 213m 1H12. Most of the latest increases come from the progress of the UP-site project, but are also influenced by the construction works of the Hermes Business Campus and Vaci Greens.

Flawless balance sheet management

History shows that the company has always had a conservative net debt to equity ratio. This ratio evolved towards a more balanced one-to-one relation resulting from debt-funded expansion. This evolution is somewhat inherent to the business model, in which the cash inflows come in at once, while the cash outflow is spread over the construction period. Today, the company has built up a massive development portfolio which explains this increase. In 2014 and 2015, we expect the cash inflows to reverse this situation. We also understand that management is searching for a solution to keep the debt portion under control and is thinking of offering an optional dividend. This will enable the company to keep the dividend attractive at € 2.00 per share, while cash can be held back to fund current projects. Most of the reference shareholders, representing 49% of the total, have already lent their support to this optional dividend.

BALANCE SHEET

€ m	2006	2007	2008	2009	2010	2011	1H12
Fixed assets	15.5	56.0	46.4	61.3	63.5	40.5	45.4
Net assets to be transferred	15.9	0	0	0	0	0	0
WCR	93.2	16.8	123.2	142.9	98.4	171.6	196.5
Shareholders' equity	75.7	103.1	125.9	117.8	101.1	98.1	96.9
Minority interest	0.2	0.1	-0.4	-0.6	-0.6	-0.6	0.1
Net financial debt	36.2	-42.7	28.2	71.6	47.0	93.6	108.8
Other LT liabilities	12.5	12.6	15.9	15.5	14.4	21.1	36.1
Capital invested	124.5	73.0	169.6	204.2	161.9	212.1	241.9
Debt ratio	21%	n.r.	18%	36%	23%	41%	47%
Net debt / equity	48%	n.r.	22%	61%	46%	95%	112%
Net debt / EBIT	3.92	n.r.	0.71	5.70	9.88	4.93	7.53*
Number of shares	5.04	5.04	5.04	5.04	5.04	5.04	5.04
NAV	15.02	20.45	24.98	23.38	20.06	19.47	19.23
P/NAV	2.23	2.02	1.52	1.51	1.67	1.24	1.43

Source: KBC Securities *FY12E

FINANCIAL OUTLOOK

2014 and 2015 will be harvest years

After closing its previous cycle in 2009 and the transition years 2010 and 2011, Atenor is back in the game. It has built up a development pipeline of more than 600k m² including some highly profitable projects. We therefore expect the company to reap the harvest in the years 2014 and 2015, followed by the strong cash inflow in 2016 from the Trebel project (€ 122.5m). As a result, we estimate the company will gradually increase its stable dividend in the coming years to € 2.52 p.s., which corresponds to a dividend yield of 7.2% on our target price.

Big discount on Hermes Business Campus & Vaci Greens to reflect the risk

We are more cautious regarding the Hermes Business Campus and Vaci Greens projects. Management has confirmed that these projects are not consistent with its strategy in Belgium and Luxembourg, where finding investors is more or less assured. We have therefore lowered our expected capital gains on these projects by increasing our exit yields, while we've also assumed that earnings from the project will take longer to become visible.

P&L ANALYSIS

€ m	2009	2010	2011	2012E	2013E	2014E	2015E	2016E
Net result - group share	7.3	(1.6)	11.3	10.2	14.9	21.2	50.2	14.6
EPS	1.45	-0.32	2.25	2.03	2.96	4.20	9.97	2.91
P/E	24.4	-105.7	10.7	17.2	11.8	8.3	3.5	12.0
DPS	2.60	2.00	2.00	2.00	2.10	2.52	2.52	2.52
DPS growth	0%	-23%	0%	0%	5%	20%	0%	0%
Div yield	7.3%	6.0%	8.3%	5.7%	6.0%	7.2%	7.2%	7.2%
Payout %	178.9%	-630.2%	89.0%	98.3%	71.0%	60.0%	25.3%	86.7%

Source: KBC Securities

Financial charges expected to increase slightly

We expect a gradual increase in the company's overhead costs in-line with indexation, while we estimate a stable but slightly higher financing cost following an expected increase in interest rates and debt.

IN DETAIL: PROFIT FORECAST

€ th	2012E	2013E	2014E	2015E	2016E
Net surplus	20,706	26,190	32,642	61,912	26,479
Corporate cost	-6,524	-6,785	-6,988	-7,198	-7,342
financial cost	-4,200	-4,500	-4,500	-4,500	-4,500
Net result - group	10,249	14,905	21,153	50,214	14,637

Source: KBC Securities

VALUATION

Cost of Equity:
- **Risk free rate of 4%**
- **Levered beta of 1.60**
- **Risk premium of 5%**

Our valuation includes the discounting of the expected net surpluses (after correction for fixed costs) that Atenor will generate in the coming years. We've lowered our cost of equity following the company's lower risk profile. This adjustment results from the record development pipeline, the increased certainty regarding different projects and the flawless track record of the company. We've used the complete project forecasting horizon in our valuation. Hence, the limited contributions of the Mons and Ath project in FY19E do not cover all the company's fixed costs, but we expect the contributions from new, to-be-announced projects in the coming years to fill this gap. We estimate no value creation or destruction after this period.

Our updated model reflects a theoretical fair value of € 38.23 per share. We therefore increase our target price to € 35 and upgrade our rating from Hold to Accumulate. We apply a 7.5% discount to our fair value calculation in order to reflect the potential impact of the legal case regarding liquidity companies. The new target price corresponds to a dividend yield of 5.7%.

EVA VALUATION

€ th	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E
Net result - group	10,249	14,905	21,153	50,214	14,637	3,490	3,341	(6,891)
Discount periods	0.2	1.2	2.2	3.2	4.2	5.2	6.2	7.2
CoE	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Discount factor	0.97	0.87	0.77	0.69	0.62	0.55	0.49	0.44
NPV	9,963	12,937	16,393	34,746	9,043	1,925	1,645	(3,030)
NPV surpluses	83,623							
NNNAV per share	19.47							
Discounted surplus per share	16.60							
Value per share	36.07							
1/2 y forward	2.16							
Future value per share	38.23							
Upside/Downside	21.6%							

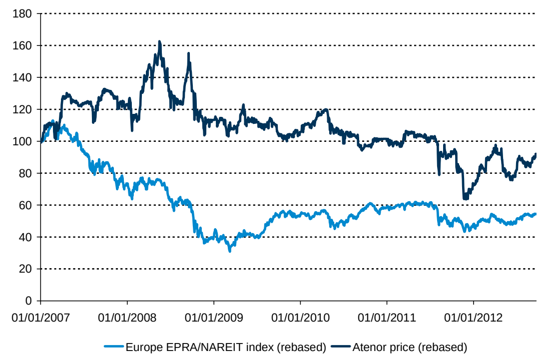
Source: KBC Securities

PEER COMPARISON

Quality of the company confirmed by share evolution

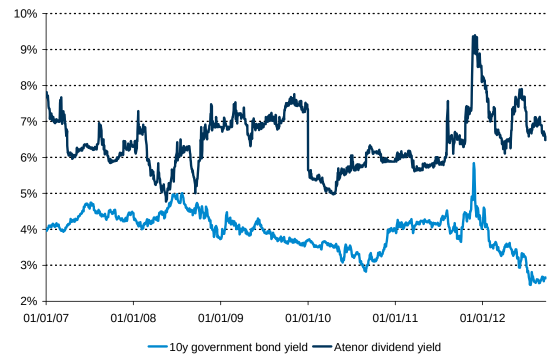
Over the past 5 years Atenor's share price has clearly outperformed the European real estate index and this despite the crisis which has put additional focus on the development risk that developers are prone to. The share evolution could therefore potentially be regarded as a reflection of the company's quality. Furthermore, on the right-hand graph below, we see that the higher risk profile of the developer pays off. Its dividend yield evolution outperforms the 10y government bond yield. At end-FY11, both yields showed a similar evolution, which was however driven by other factors. The rise in div. yield resulted from Atenor's share price drop amid fears of a negative ruling in the liquidity companies' case, whereas the hike in bond yield had a political cause.

SHARE EVOLUTION



Source: Atenor

ATENOR VS. BELGIAN GOVERNMENT BOND YIELD

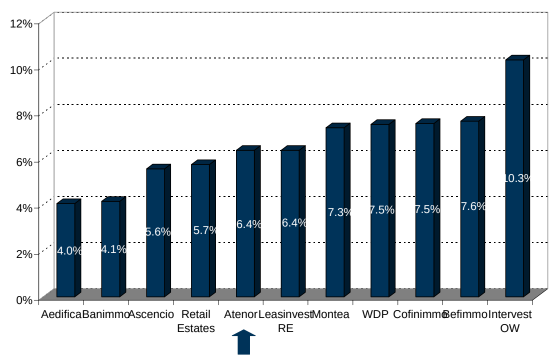


Source: KBC Securities

The NAV does not include the potential upside on the projects

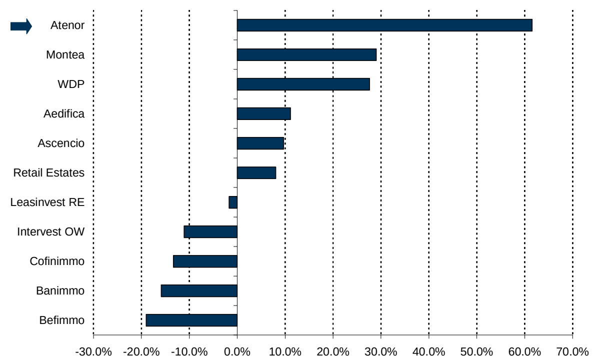
In terms of dividend yield, Atenor is ranked in the middle of Belgian real estate companies, while the company takes the lead in P/NAV. However, we should bear in mind that the NAV of development companies understates the value as it excludes potential surpluses of the projects. Whereas for Belgian REITs, NAV better reflects the company's trading position.

DIVIDEND YIELD



Source: KBC Securities

PRICE TO NAV



Source: KBC Securities

LEGAL CASE OF LIQUIDITY COMPANIES

While awaiting the outcome, we apply a discount to the attained FV to reflect the potential impact

A current threat to the company's results is a lawsuit regarding liquidity companies dating back to 1998, when Atenor together with an insurance company sold a company to buyers who didn't pay the taxes due and eventually let the company go bankrupt. The Belgian Council Chamber in Brussels is of the opinion that Atenor was aware of this plan and consequently received a higher selling price for the company. On 21 October 2011, the Council Chamber therefore decided to refer Atenor and some of its directors to the Criminal Court. This decision was appealed by Atenor and its directors as they deny and have always denied any fraud or infraction. In the past, Atenor has not been accused of fraud for comparable cases, but because we can't exclude an unfavourable ruling, we have applied a 7.5% discount to our attained fair value pending the final outcome.

INVESTMENT CASE

Very promising pipeline ahead

After refuelling in the period 2009-2011, Atenor is gradually gaining speed in 2012 and 2013 and hopes to be in top gear by 2014. The success of the UP-site project is non-negligible here. The number of apartments sold is ahead of schedule and three out of the four office buildings have already found a buyer. Furthermore, this project with its emblematic tower, is a tremendous marketing boost for the company and will make it easier to start developing the project pipeline.

Expected increase in DPS to € 2.52 by 2014

In the coming years, Atenor's results will be coloured by some lucrative projects as Trebel and les Brasseries de Neudorf. We therefore expect the company to increase its dividend by 25% to € 2.52 p.s. by 2014 and this despite the uncertainty of the Budapest and Bucharest projects for which our earnings forecasts are cautious. We also expect the company to pursue the development of residential properties in Luxembourg, where high demand should support development margins in the coming years.

Increase TP to € 35 (from € 34) and rate Accumulate

After updating our model, we upgraded our rating from Hold to Accumulate and increased our target price to € 35 from € 34. By all metrics (flawless track record, solid relationships with authorities and promising development portfolio), Atenor would normally deserve a Buy rating, but the uncertainty surrounding the outcome of the legal case prompts us to stay on Accumulate. However, we see additional target price potential in earlier-than-expected project disposals, clarity on the company's financing in the remaining cash-intensive development phase and a positive ruling in the liquidity companies case.

PROJECT OVERVIEW

The following pages will provide a more in-depth overview of Atenor's different projects. We will also provide our financial estimates.

UP-SITE (BRUSSELS)

Description

The UP-site project is located alongside the Willebroek canal and involves the construction of a mixed housing, office and retail property complex around a green space. The project with its emblematic 140m² high tower is situated in what is expected to be the place-to-live in Brussels North near the train station. The Tower will house 251 apartments (of which 68 are already sold) and the lower Terras building will count 106 apartments. Next to the housing facilities, the project also includes four office buildings (of which 3 are already sold) and some retail areas. The retail spaces and local facilities are expected to contribute to the new dynamics of the area.

UP-SITE - IMAGE

Source: Atenor

UP-SITE - FINANCIALS

Segments:	Offices	Acquisition cost (€ m)	18
	Residential	Acquisition cost (€/m²)	225
	Retail	Construction cost (€/m²)	2,000
Surface (m²)	79,850	Total cost (€/m²)	2,225
Atenor share	100%		
		Selling price (€ m)	212
Country	Belgium	Selling price (€/m²)	2,652
City	Brussels	Net Surplus (€ m)	34

Source: KBC Securities

Financials

We estimate the acquisition cost of the terrain at around € 18m, which corresponds to a cost per m² of € 225. As mentioned above, Atenor has put the ground lease on the balance sheet, which enables it to benefit from the deferred tax assets when selling the apartments. The commercialization of the project seems to be on track and is outperforming expectations with a pre-construction sale of 68 apartments in the Tower. We estimate the construction costs of every square meter, which includes offices, apartments and retail space, at € 2,000 which leads to a total average cost for the project of € 2,225 per m² for the total 79,850m². We estimate the total selling price at € 212m, which corresponds to a net surplus on the total project of € 34m (€ 17.3m for the offices and € 16.8m for the residential and commercial spaces).

EUROPA (BRUSSELS)

Description

Europa is an ambitious project in the Rue de la Loi in Brussels, in the heart of the European district. The project encompasses 44,000m² of offices (mainly), while the lower floors will include some residential and retail properties. The building is part of a larger redevelopment project of the city, with a mixed character of offices, public and residential properties. The design of the building is the result of an architectural competition, but it has been subject to various modifications and the permit has not yet been obtained. We estimate a final green light in 1H14. The tower will be 140m high based on the current plans, but it may be increased as a planned tower next door will be even higher. On the ground floor, Atenor plans to create some green areas.

EUROPA - IMAGE

Source: Atenor

EUROPA - FINANCIALS

Segments:	Offices	Acquisition cost (€ m)	25
	Residential	Acquisition cost (€/m²)	568
		Construction cost (€/m²)	1,750
		Total cost (€/m²)	2,318
Surface (m²)	44,000		
Atenro share	100%	Rent (€/m²/year)	175
		Exit yield	6.20%
Country	Belgium	Selling price (€/m²)	2,823
City	Brussels	Net Surplus (€ m)	22.2

Source: KBC Securities

Financials

In 2005, Atenor bought the Crown Plaza Hotel on the same site. However, due to its obsolescence, the Crown Plaza franchise was not renewed in 2011. From then on, all hotel activities in this building were halted. We estimate the acquisition price at € 25m, of which € 10m of debt acquired with the SPV. Forecasting an average annual rent of € 175 per m² and an exit yield of 6.1% leads us to expect a selling price of € 2,823 per m² or a gain of € 504 per m². Construction works are expected to start in 2014. Hence, we assume a small result in 2014 (€ 5.1m), but the majority in 2015 (€ 17.1m).

CITY DOCKS (BRUSSELS)

Description

The City Docks is a massive mixed project alongside the canal in Anderlecht, Brussels. Atenor acquired the 5.4ha site with some industrial properties generating around € 200k rental income on an annual basis till end-FY12. The project has been well received as it intends to create a dynamic, urban living space beside the canal. In addition to the residential properties, the project will contain some commercial premises, a school, crèches and offices. It will create social and urban cohesion within the site itself, but also for the entire industrial zone in which the project is located.

CITY DOCKS - IMAGE

Source: Atenor

CITY DOCKS - FINANCIALS

Segments:	Residential	Acquisition cost (€ m)	14
	Offices	Acquisition cost (€/m²)	140
	Retail	Construction cost (€/m²)	2,000
	Other	Total cost (€/m²)	2,140
Surface (m²)	100,000		
Atenor share	100%	Rent (€/m²/year)	150
		Exit yield	5.9%
Country	Belgium	Selling price (€/m²)	2,542
City	Brussels	Net Surplus (€ m)	40.2

Source: KBC Securities

Financials

The company's cash flow statement suggests an acquisition price of € 14m for this plot. In contrast to other projects where the company plans to sell the building at once, this project is expected to generate a result spread over a period from 2015 to 2018. We believe the different buildings in the project will be sold on completion. We estimate an average exit yield of 5.9%, which is lower than that for the Brussels Europa project due to the smaller number of offices included. We therefore bank on an average gain per m² of € 402. This corresponds to an expected total net surplus of € 40.2m over a 4-year period.

TREBEL (BRUSSELS)

Description

This project can be considered as a real jewel. In 2011, Atenor bought an 18,000m² office building that had been vacant for six months in the centre of Brussels (Rue Beliard). The building had failed to find a new owner as potential buyers concluded that it required more than a simple redevelopment. This provided Atenor with the opportunity to buy the asset at a very low price; we estimate only € 25m. The company plans to completely demolish it and build a new state-of-the-art 32,000m² office building. The project will be designed to comply fully with the strictest sustainability requirements and has already received a BREEAM "excellent" certificate.

TREBEL - IMAGE

Source: Atenor

TREBEL - FINANCIALS

Segment	Offices	Acquisition cost (€ m)	25
		Acquisition cost (€/m²)	781
		Construction cost (€/m²)	2,000
Surface (m²)	32,000	Total cost (€/m²)	2,781
Atenor share	100%		
		Selling price (€ m)	122
Country	Belgium	Selling price (€/m²)	3,813
City	Brussels	Net Surplus (€ m)	33.0

Source: KBC Securities

Financials

Even before the works have started, this project has been sold to the European Parliament, thanks to its excellent location and full compliance with the latest energy requirements. As mentioned above, we estimate the acquisition cost at € 25m, corresponding to a cost of € 781 per m² for the to-be-built number of square meters. Together with an estimated construction cost of € 2,000 per m², the total cost will hover around € 2,781 per m². Given the released acquisition price tag of € 122.5m, Atenor will be able to attain a gain per m² exceeding € 1,000, making this project a cash cow. Furthermore, Atenor has decided to put a part of this project on its own balance sheet enabling the company to recover tax loss carry forwards and to book some earnings ahead of the € 122.5m cash payment in 2016.

VICTOR (BRUSSELS)

Description

This project is located at the Victor Horta place in front of the Brussels Midi train station. It is designed as a mixed complex responding to current and future trends in social diversity and urban densification. Alongside the luxury office complex, the project will incorporate retail properties and homes to strengthen the human dimension of the district and provide quality services to its residents. It can therefore be seen as an important project for the city of Brussels.

VICTOR - IMAGE

Source: Atenor

VICTOR - FINANCIALS

Segment	Offices	Acquisition cost (€ m)	10.73
	Residential	Acquisition cost (€/m²)	107
	Retail	Construction cost (€/m²)	2,000
		Total cost (€/m²)	2,107
Surface (m²)	100,000		
Atenor share	50%	Rent (€/m²/year)	160
		Exit yield	6.50%
Country	Belgium	Selling price (€/m²)	2,462
City	Brussels	Net Surplus (€ m)	35.4

Source: KBC Securities

The magnitude of this project makes it more vulnerable to political headwinds. The problems mainly relate to the height of the buildings. This is also the reason why the permit filed in December 2010 is still not ratified. We expect planning permission to be obtained in 1H14 such that works can start at end-2013 and delivery can be expected by 2015. Atenor believes that a contact with the federal government is needed before the development can start.

Financials

This project is actually a combination of multiple smaller ones, so Atenor is not the only owner. CFE participates in the project with an equal 50% stake. We estimate the initial acquisition cost at € 10.7m and expect the company to exit the project at a yield of 6.5%. This corresponds to a net expected surplus of € 35.4m. However, the 50% stake reduces the gain to € 17.7m and we expect this result to be achieved over 2014 and 2015.

PORT DU BON DIEU (NAMUR)

Description

Atenor plans a 16,000m² residential project alongside the Meuse River in Namur in an urban environment that was previously devoted to industry. With high-quality finishing, the apartments meet the highest standards of comfort and design and the project has already attracted significant commercial interest. The project is located on the outskirts of Namur and offers good access, being close to major roads and the Namur train station, enabling non-motorized mobility and multimodal public transport network.

PORT DU BON DIEU - IMAGE

Source: Atenor

PORT DU BON DIEU - FINANCIALS

Segment	Residential	Acquisition cost (€ m)	7
		Acquisition cost (€/m²)	438
		Construction cost (€/m²)	2,000
		Total cost (€/m²)	2,438
Surface (m²)	16,000		
Atenor share	100%	Rent (€/m²/year)	140
		Exit yield	5.00%
Country	Belgium	Selling price (€/m²)	2,800
City	Namur	Net Surplus (€ m)	5.8

Source: KBC Securities

Financials

We estimate an initial investment cost, based on management's guidance, of around € 7m and a construction cost of € 2,000 per m². The construction works will probably start earlier than expected as management announced during the analyst meeting that the permit will arrive very soon. We therefore expect construction works to start in early-2013 followed by rapid progress and completion in 1H14E. The clear need for residential assets in this area enables us to start recording results before the project is even complete. We estimate an exit yield of 5% or an expected gain of € 361 per m². The total net surplus is assumed to come in south of € 6m.

LES BRASSERIES DE NEUDORF (LUXEMBOURG)

Description

The company has always exhibited caution in its segmental and geographic expansion. At its foundation, Atenor specialized in the construction of offices in Brussels. 10 years later, the company expanded and began to build offices in Luxembourg, followed 10 years later with offices in Central and Eastern Europe. A couple of years ago, Atenor began developing residential properties in Belgium and today it is expanding its scope towards the residential market in Luxembourg, where demand appears to be high for apartments close to the business districts. The company plans to construct a complex (mainly residential with some ground floor retail space) of 11,400m² just in front of the Plateau Kirchberg on a surface of 7,600m².

LES BRASSERIES DE NEUDORF - IMAGE

Source: Atenor

LES BRASSERIES DE NEUDORF - FINANCIALS

Segment	Residential	Acquisition cost (€ m)	12.3
	Retail	Acquisition cost (€/m²)	1,079
		Construction cost (€/m²)	2,300
		Total cost (€/m²)	3,379
Surface (m²)	11,400		
Atenor share	100%	Rent (€/m²/year)	132
		Exit yield	5.50%
Country	Luxembourg	Selling price (€/m²)	4,500
City	Luxembourg	Net Surplus (€ m)	12.8

Source: KBC Securities

Financials

The acquisition price of more than € 1,000 per m² already suggests the high demand for residential properties in this region. We therefore bank on a selling price in the range of € 4,000 to 5,000 per m² which would lead to a total net surplus on the project of € 12.8m. The final project permit is expected in 1H13 and we predict that most of the earnings will be achieved in 2013 with the remainder upon delivery in 2014. After completion of the project, Atenor will take stock and decide whether it wants to expand its residential activities in this area. The signals we have received regarding this project suggest to us that the company will increase its activities in this region.

HERMES BUSINESS CAMP. (BUCHA.) & VACI GREENS (BUDA.)

Description

After its successes in Belgium and Luxembourg, Atenor entered Central and Eastern Europe with two canon office projects; one in Bucharest (Romania) of 78,212m² and another in Budapest (Hungary) of 87,354m².

HERMES BUSINESS CAMPUS - IMAGE

Source: Atenor

HERMES BUSINESS CAMPUS - FINANCIALS

Segment	Offices	Acquisition cost (€ m)	45
		Acquisition cost (€/m²)	575
		Construction cost (€/m²)	1,920
		Total cost (€/m²)	2,495
Surface (m²)	78,212		
Atenor share	100%	Rent (€/m²/year)	192
		Exit yield	7.40%
Country	Romania	Selling price (€/m²)	2,595
City	Bucharest	Surplus (€ m)	7.8

Source: KBC Securities

Financials

Both projects are situated in the local business centres and close to major connecting roads, leaving no doubt as to their strategic location. However, since initiation of the projects, the office market in Budapest and Bucharest has deteriorated somewhat, making Atenor uncertain about the disposal of the assets (in contrast to its other projects), thus prompting a postponement of the works. Today, the company plans to first finish the projects before actively marketing them. If no immediate buyer is found for the buildings, management has arranged with banks to operate them itself pending a sale. We expect the company to finalize the projects in 2014. Given this higher uncertainty we've upped our exit yield for the projects to 7.4% leaving potential gains of only € 7.8m in Romania and € 9.4m in Hungary.

VACI GREENS - IMAGE

Source: Atenor

VACI GREENS - FINANCIALS

Segment	Offices	Acquisition cost (€ m)	40
		Acquisition cost (€/m²)	458
		Construction cost (€/m²)	1,380
		Total cost (€/m²)	1,838
Surface (m²)	87,354		
Atenor share	100%	rent (yearly/m²)	144
		Exit yield	7.40%
Country	Hungary	Selling price (€/m²)	1,946
City	Budapest	Net Surplus (€ m)	9.4

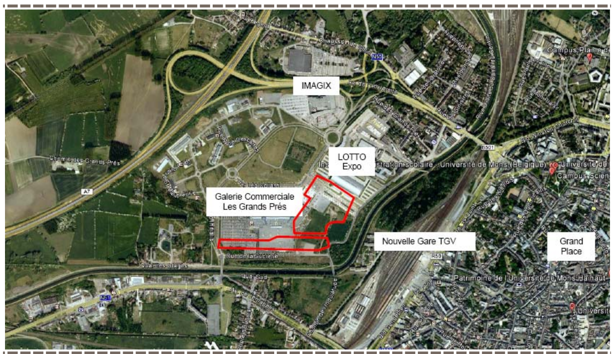
Source: KBC Securities

NEW PROJECTS (MONS AND ATH)

Mons

Finally, we highlight the two new projects that Atenor announced at the end of August; a mixed project in Mons and a residential one in Ath. We have very little information on the Mons project at present. The press release mentions a 7.2ha plot (100,000m² building surface) near public, commercial and cultural buildings that reflect the city's dynamism: a train station, a shopping gallery, the future IKEA, cinema complex, etc. It will therefore be a mixed urban development project with a primary focus on residential properties. Given the uncertainty surrounding the exact content, we've incorporated some risk in our expected capital gain per m² and therefore estimate a total expected surplus on this project in the range of € 22m spread over 5 years in line with the finalization of the different phases starting in 2015.

MONS - IMAGE



Source: Atenor

MONS - FINANCIALS

Segment	mixed	Acquisition cost (€ m)	16
		Acquisition cost (€/m²)	160
Surface (m²)	100,000	Construction cost (€/m²)	2,000
Atenor share	100%	Total cost (€/m²)	2,160
Country	Belgium	Selling price (€/m²)	2,380
City	Mons	Net Surplus (€ m)	22.0

Source: KBC Securities

Ath

The project in Ath is much smaller and focuses solely on residential properties (apartments, lofts, home for the elderly, a day-care and a community centre). It is also located close to a train station and in a lively district. More data is available on this project, so we can apply a slightly higher return: we estimate a capital gain of € 333 per m² or a total net surplus of € 4m, which is expected to contribute as from 2016.

LES ANCIENNES SUCRERIES - IMAGE

Source: Atenor

LES ANCIENNES SUCRERIES - FINANCIALS

Segment	Mix	Acquisition cost (€ m)	2
		Acquisition cost (€/m²)	167
Country	Belgium	Construction cost (€/m²)	2,000
City	Ath	Total cost (€/m²)	2,167
Surface (m²)	12,000	Selling price (€/m²)	2,500
Atenor share	100%	Net Surplus (€ m)	4.0

Source: KBC Securities

FINANCIAL DATA

Income statement (€ m)	2011	2012E	2013E	2014E	2015E
Gross Rental Income (GRI)	-	-	-	-	-
Other Income	-	-	-	-	-
Property & Development Costs	-	-	-	-	-
Other Costs	-	-	-	-	-
EBITDA	-	-	-	-	-
Depreciation & Amortization	-	-	-	-	-
EBIT	**-**	**-**	**-**	**-**	**-**
Financial Result	-	-	-	-	-
Taxes	-	-	-	-	-
Associates	-	-	-	-	-
Discontinued / Other	-	-	-	-	-
Minorities	-	-	-	-	-
Net current result (Group's share)	**11.3**	**10.2**	**14.9**	**21.2**	**50.2**
Changes in FV of investment properties	-	-	-	-	-
Gains/losses on real estate divestments	-	-	-	-	-
Minorities	-	-	-	-	-
Portfolio Result	0.0	0.0	0.0	0.0	0.0
Net Profit (Group's share)	**11.3**	**10.2**	**14.9**	**21.2**	**50.2**
Adjusted Net Profit (Group's share)	11.3	10.2	14.9	21.2	50.2

Cash flow statement (€ m)	2011	2012E	2013E	2014E	2015E
Cash Flow from Operations	-	-	-	-	-
Change in Working Capital	-	-	-	-	-
Cash Flow from Operating Activities	-	-	-	-	-
Cash Flow from Investments	-	-	-	-	-
Free Cash Flow	-	-	-	-	-
Dividend Payments	-	-	-	-	-
Share issues	-	-	-	-	-
New borrowings / reiumbursements	-	-	-	-	-
Other cash flow from financing	-	-	-	-	-
Cash Flow from Financing	-	-	-	-	-
Fx and changes in consolidation scope	-	-	-	-	-
Change in Cash & Equivalents	-	-	-	-	-

Balance sheet (€ m)	2011	2012E	2013E	2014E	2015E
Investment Properties	-	-	-	-	-
Development Projects	-	-	-	-	-
Other Fixed Assets	-	-	-	-	-
Total Fixed Assets	-	-	-	-	-
Assets held for Sale	-	-	-	-	-
Receivables	-	-	-	-	-
Other current assets	-	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-
Total Current Assets	-	-	-	-	-
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**
Shareholders' Equity	98.1	98.3	102.6	111.1	148.6
Minority Interest	-	-	-	-	-
Total Equity	-	-	-	-	-
LT Financial Debt	-	-	-	-	-
Other LT Liabilities	-	-	-	-	-
Total LT Liabilities	-	-	-	-	-
ST Financial Debt	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
Total ST Liabilities	-	-	-	-	-
TOTAL LIABILITIES	**-**	**-**	**-**	**-**	**-**

Performance criteria	2011	2012E	2013E	2014E	2015E
Net Debt (€ m)	-	-	-	-	-
NAV (€ m)	98.1	98.3	102.6	111.1	148.6
Net Current Result (€ m)	-	-	-	-	-
Portfolio Result (€ m)	-	-	-	-	-
Debt Ratio (%)	-	-	-	-	-
Net Debt / Equity+Minorities (%)	-	-	-	-	-
Net Debt / EBIT	-	-	-	-	-
Interest Cover Ratio	-	-	-	-	-
ROA	-	-	-	-	-
GRI-growth	-	-	-	-	-
EBITDA-growth	-	-	-	-	-
EBITDA margin	-	-	-	-	-
Pay-out Ratio	-	-	-	-	-

Per share data (€)	2011	2012E	2013E	2014E	2015E
Year-end # of shares (m)	5.0	5.0	5.0	5.0	5.0
Weighted average # of shares (m)	5.0	5.0	5.0	5.0	5.0
Weighted average # of shares, diluted (m)	5.0	5.0	5.0	5.0	5.0
Dividend shares (m)	5.0	5.0	5.0	5.0	5.0
Basic EPS (€)	2.25	2.03	2.96	4.20	9.97
Adjusted EPS (€)	2.25	2.03	2.96	4.20	9.97
Diluted EPS (€)	2.25	2.03	2.96	4.20	9.97
Diluted Adjusted EPS (€)	2.25	2.03	2.96	4.20	9.97
Net Current Result Per Share (€)	-	-	-	-	-
Portfolio Result Per Share (€)	-	-	-	-	-
DPS (€)	2.00	2.00	2.10	2.52	2.52
NAV Per Share (€)	19.47	19.51	20.36	22.04	29.49

Valuation data	2011	2012E	2013E	2014E	2015E
Max share price (€)	35.65	32.75	-	-	-
Min share price (€)	21.28	24.24	-	-	-
Reference share price (€)	31.45	31.45	31.45	31.45	31.45
Market Cap (€ m)	158.4	158.5	158.5	158.5	158.5
Entreprise Value (€ m)	158.4	158.5	158.5	158.5	158.5
Current Net Profit / EV	7.1%	6.5%	9.4%	13.3%	31.7%
EV / EBITDA	-	-	-	-	-
P / NAV	1.6	1.6	1.5	1.4	1.1
Premium (Discount) to NAV	-61.5%	-61.2%	-54.4%	-42.7%	-6.7%
Dividend Yield	6.4%	6.4%	6.7%	8.0%	8.0%

Source: KBC Securities *Historic valuation data are based on historic prices

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	Definition
BUY	Expected total return (including dividends) of 10% or more over a 6-month period
ACCUMULATE	Expected total return (including dividends) between 0% and 15% over a 6-month period
HOLD	Expected total return (including dividends) between -5% and 5% over a 6-month period
REDUCE	Expected total return (including dividends) between –15% and 0% over a 6-month period
SELL	Expected total return (including dividends) of -10% or worse over a 6-month period

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Stock rating	% of covered universe	% of covered universe with investment banking relationship during last year
BUY	30.10%	0.00%
ACCUMULATE	36.60%	0.00%
HOLD	31.70%	0.00%
REDUCE	0.80%	0.00%
SELL	0.80%	0.00%

Atenor is a real estate developer active in Belgium, Luxembourg and CEE.
The price target for Atenor Group is based on following parameters: Sum of Parts, Estimated Equity Value (NAV)
The risks which may impede the achievement of our price target are: Evolution of interest rates, access to debt markets, real estate investment markets, impact real economy on the letting markets.

Below is an overview of the stock ratings and target price history in the last 12 months for the stock described in this report.

Date	Rating	Target price

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COMPANY NOTE

2 October 2012

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