

## HALF YEAR FINANCIAL REPORT 2016

La Hulpe, 5 september 2016

### **A. Interim Management Report**

The first half of 2016 closed with a consolidated net profit (group share) of 6.65 million Euro compared to a result of 5.19 million Euro for the first half of 2015.

Just as for the first semester of the previous year, this result has been generated principally by pre-sold projects, both office and residential. The lease revenues of the Vaci Greens (Budapest), HBC (Bucharest) and Nysdam buildings have also made a contribution. The revenue of this semester has thus been diverse once again, two new projects (The One and Palatium) contributing to the results for the first time.

**Table of key consolidated figures ('000 Euro) - Limited review of the auditor**

<b>Results</b>	<b>30.06.2016</b>	<b>30.06.2015</b>
Net consolidated result (group share)	6,646.20	5,193.09
Profit per share (in Euro)	1.18	0.92
Number of shares	5,631,076	5,631,076
of which own shares	175,535	167,907
<b>Balance sheet</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
Total assets	541.930	552.208
Cash position at the end of the period	82.830	23.158
Net indebtedness (-)	-265.824	-339.914
Total of consolidated equity	120.903	126.799

### **Revenue from ordinary activities and consolidated result**

The revenues from ordinary activities as at 30 June 2016 amounted to 60.79 million Euro. They mainly consist of (a) revenue resulting from the last portion of the Trebel project (€ 17.61 M), (b) revenues coming from the sales of the apartments of Les Brasseries de Neudorf (Luxembourg ; € 7.92 M), Au Fil des Grands Prés (Mons ; € 6.71 M), Port du Bon Dieu (Namur ; € 4.81 M), The One residential (Brussels ; € 4.32 M), La Sucrierie (Ath ; € 2.65 M) projects, and (c) the lease revenues of the Vaci Greens (Budapest) and Hermès Business Campus (Bucharest) buildings for 5.42 million Euro.

The other operating revenue (€ 4.23 M) mainly includes the disposal of the investment in Senior Island (City Dox project) function of the state of progress of the building of the rest home and the remaining of the sale of the AIR Properties shares (AIR project in Luxembourg).

The **operating result** amounts to 14.26 million Euro, influenced on the one hand by the contribution of the Trebel project (€ 6.62 M) following the building's delivery on June 29<sup>th</sup>, and on the other hand by the sale of the apartments of the residential projects including Les Brasseries de Neudorf (Luxembourg), Au Fil des Grands Prés (Mons) and Port Du Bon Dieu (Namur) in accordance with their degree of progress (respectively € 1.34 M, € 1.13 M and € 1.10 M).

The disposal of the rest home of the City Dox project (€ 1.51 M), the first apartment sales of the The One residential (€ 0.75 M) and Palatium (€ 0.54 M) projects in Brussels have also made a positive contribution to the operating result as well as the lease revenues net of charges of the Vaci Greens (Budapest ; 2.67 M), HBC (Bucharest ; € 0.47 M) and Nysdam (La Hulpe ; € 0.41 M) buildings.

Finally, administrative costs amount to 3.25 million Euro.

The **net financial result** amounts to -4.53 million Euro compared with -2.36 million Euro for the first half of 2015. The increase of net financial charges over the first half year is mainly due to the increase of ATENOR's average net debt coupled with the drop in the capitalised charges compared to the first semester of 2015.

**Taxes** amounted to € 3 million Euro on 30 June 2016 and are mainly composed, on the one hand by a use of deferred tax assets linked to the projects developed in ATENOR s.a. (€ 0.74 M), and on the other hand by the recognition of taxes and deferred tax liabilities relating mainly to the Port du Bon Dieu (€ 0.80 M), Les Brasseries de Neudorf (€ 0.42 M) and The One projects (€ 0.39) projects.

**The net result** of the first half of the financial year amounts to 6.65 million Euro.

### ***Consolidated balance sheet***

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**The consolidated shareholders' equity** amounts to 120,90 million Euro, which represents 22.3% of the balance sheet total.

As at 30 June 2016, the Group has a net financial indebtedness of 265.82 million Euro (including cash amounting to € 82.83 M) compared with a net financial indebtedness of 339.91 million Euro (including cash amounting to € 23.16 M) as at 31 December 2015.

The decrease in net debt of the Group (€ -74.09 M) is mainly due to the transfer of the AIR project and the payment of the balance of the Trebel price on June 29<sup>th</sup>.

The "buildings held for sale" classified under "**Inventories (Stock)**" represent the real estate projects in portfolio and in the course of development. This item amounts to 360.63 million Euro, a net increase of 16.46 million Euro in comparison with 31 December 2015. This change is mainly due to (a) the continuation of works of the Hermes Business Campus (Bucharest), Vaci Greens (Budapest) and The One (Brussels) projects, representing in total +25.33 million Euro and (b) the apartment sales of the Port du Bon Dieu, Les Brasseries de Neudorf and UP-site projects which have decreased the stock by - 12.04 million Euro. The remaining balance of the net variation of this item (+€ 3.17 M) is distributed over the other projects in development.

### ***Projects in our Portfolio***

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In the course of the first half of the year, ATENOR continued the development of the projects in portfolio and recorded some major favourable events.

Further to the last deliveries and new acquisitions, the portfolio currently includes 15 projects under development for a total of approx. 680,000 m<sup>2</sup>.

The projects experienced the following developments:

#### ***TREBEL – European Quarter, rue Belliard, Brussels (29,766 m<sup>2</sup> of offices)***

On June 29<sup>th</sup>, ATENOR granted the provisional acceptance to the General Contractor BESIX/Jacques Delens on completion of the building's construction. On the same day, the European Parliament took delivery of this building, which it renamed "Le Wilfried Martens". The deed of sale has been signed. The result has been recorded since 2013 as the development progressed, the building's delivery still contributing extensively to the results of the first semester of 2016.

#### ***THE ONE – European Quarter, rue de la Loi, Brussels (29,000 m<sup>2</sup> of offices & 9,000 m<sup>2</sup> of residential)***

The construction works have continued with their provisional acceptance scheduled for late 2018.

On the commercial side, 32% of the apartments have been sold.

The appeal to the Council of State brought against the building permit by well-known associations has not progressed.

#### ***PALATIUM – Quartier Louise, near the Palais de Justice, Brussels (approx. 14,000 m<sup>2</sup> mixed)***

The redevelopment works started in late 2015 have continued with their provisional acceptance scheduled for late 2017. On the sales front, 31% of the apartments have already been sold.

#### ***CITY DOX - Canal area, quai de Biestebroek, Anderlecht (approx. 145,000 m<sup>2</sup> mixed)***

The first phase of construction works relating to the construction of 93 apartments, 8,500 m<sup>2</sup> of integrated business services, 71 service flats and one rest home, i.e. 39,500 m<sup>2</sup> in total, started in June.

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.

The marketing of the areas devoted to business services, service flats and apartments will be launched in September, by means of a targeted marketing plan.

Furthermore, the application for the plot permit submitted in May concerning the second phase of the project, essentially residential, is in progress. We remind you that this second phase incorporates the development contract launched by CITYDEV.BRUSSELS and won by ATENOR; it concerns 16,393 m<sup>2</sup> of apartments, 12,471 m<sup>2</sup> of them devoted to subsidised housing.

***VICTOR – opposite the South Station, Brussels (approximately 109,500 m<sup>2</sup> mixed)***

The master plan for the Midi district should be granted regulatory power on the basis of the provisions foreseen in the COBAT. On the issuing authority's suggestion, ATENOR is studying the launch of an architecture contest integrating the latest parameters set out in the master plan. Following this contest, and parallel to the master plan's planning appraisal, the building and environmental permit applications will be filed as soon as possible, with a view to executing the Victor project in 2020, as indicated in the Government's programme. In the meantime, preparatory site clean-up has continued following an administrative authorisation issued by the IBGE.

***UP-SITE - Canal area, quai des Péniches, Brussels (357 residential units, 29.689 m<sup>2</sup> of offices)***

The sale of the remaining apartments (10%) is continuing at a satisfactory pace.

***LES BERGES DE L'ARGENTINE – La Hulpe (residential and services project, approx. 26,000 m<sup>2</sup>)***

The studies for the PCAR proposed by the District council will be soon launched after approval of the PCAR by the Regional council. The objective is to submit a permit application for the core of the project as soon as this PCAR is approved.

A first permit application for the renovation of the old historic buildings (4,000 m<sup>2</sup> of offices and 4 apartments) is currently in preliminary inquiry.

***NYS DAM – La Hulpe (Office building – approx. 15,600 m<sup>2</sup>)***

We remind you that ATENOR acquired, in late 2015, from BNP Paribas Fortis 100% of the shares of Hexaten s.a., owner of the Nysdam office building in La Hulpe. ATENOR is initially repositioning this building on the office market. In the long term and in collaboration with the local authorities, ATENOR will examine its redevelopment alternatives. This building has 15,600 m<sup>2</sup> with 408 parking spaces, and new tenancies have been signed recently, bringing the lease rate up to 70%.

***PORT DU BON DIEU LOT 1 – Namur (140 residential units, 5 retail units, 1 restaurant)***

The provisional acceptances of all the apartments have been granted and the works of the surroundings are finished. The sale of the remainder of the apartments (24%) is continuing at a satisfactory pace.

***PORT DU BON DIEU LOT 2 – Namur (purchase/sale of land – 7,600 m<sup>2</sup> of offices)***

Construction works, which started in January 2016, are continuing according to schedule for a delivery planned for October 2017 at the latest. The development margin is recorded as construction works progress.

***AU FIL DES GRANDS PRÉS – “Les Grands Prés” shopping precinct district, Mons (approx. 70,000 m<sup>2</sup> mixed)***

The marketing by Wilink, a consortium specialised in the sale and management of investment property, of the first 4 housing blocks (134 total) continued successfully. Indeed, the first three blocks, still under construction, are entirely pre-sold and the fourth recorded 73% sales. This sale's rhythm agreed with the consortium will complete the presale of the remaining apartments by the end of 2016, with delivery of the fourth block scheduled for end of 2017.

The revisioning planning tool (PCAR), encompassing the other plots of the project and linking the commercial gallery to the new station has been adopted. In the long term it will enable several hundred residential units, local retail shops and offices to be built. A plot permit application will soon be submitted.

***LA SUCRERIE – Ath (183 residential units, 3 retail units, 1 nursery - 20,000 m<sup>2</sup>)***

Construction works on the first two phases concerning the building of three blocks (75 units and 1 nursery) continued with a delivery scheduled between July and December 2016. The sale of the remainder of the apartments (41%) has continued at a satisfactory pace.

**LES BRASSERIES DE NEUDORF – Luxembourg City (87 residential units, 12 retail units – 11,500 m<sup>2</sup>)**

The end of construction works is scheduled for the fourth quarter of 2016. At the end of December 2015, all apartments had already been sold, which reflects the commercial success of this project.

**AIR - Quartier de la Cloche d'Or, Luxembourg (11.000 m<sup>2</sup> of office space)**

The building was delivered on March 31<sup>st</sup> and the shares of Air Properties were transferred on April 7<sup>th</sup>.

**NAOS – Belval area, Grand-Duchy of Luxembourg (office and retail building – 14,000 m<sup>2</sup>)**

As communicated on March 7, ATENOR and a group of private investors have signed a partnership agreement for the execution of a mixed real estate project (14,000 m<sup>2</sup> of office and retail) on the BELVAL site, Grand-Duchy of Luxembourg.

The building will house the parent company of the Arns IT group and the consultancy, audit, accounting and tax consultancy services company A3T.

The project will be executed by the Luxembourgian company "NAOS", 55% owned by ATENOR.

The planning permit application will be submitted in the 4th quarter of 2016.

**HERMES BUSINESS CAMPUS – Boulevard D. Pompeiu, Bucharest (73,180 m<sup>2</sup> of office space)**

We remind you that the first building is 100% leased. The second building was delivered in March 2016 and reached a rental rate of around 70%. The third building for which construction works started in May 2015 for delivery in December 2016, will be leased for a 10-year term with Genpact.

The outlook for the office leasing market remains favourable in this country with economic growth. Initial actions have been taken for the sale of these buildings, although it is not possible to specify the timing at this stage.

**DACIA – Intersection of Calea Victoria and Boulevard Dacia, CBD, Bucharest (12.000 m<sup>2</sup> of office space)**

As already published, ATENOR completed the acquisition of two adjoining plots in Bucharest's CBD (Romania). The site, located at the intersection of two of the Romanian capital's main roads: Calea Victoria and Boulevard Dacia, totals 5,000 m<sup>2</sup> of ground surface. The land will be used to develop a new class A office building of around 12,000 m<sup>2</sup>, meeting the best space efficiency and energy performance standards, while also integrating harmoniously with Bucharest's historic centre. A permit application should be submitted in early 2017.

**VACI GREENS – Vaci Corridor, Budapest (130.500 m<sup>2</sup>)**

The third building of 25,000 m<sup>2</sup> was delivered in March 2016 and is 60% occupied by General Electric. New tenancies have been signed recently, bringing the occupation rate up to 65%.

The steps for the sale of the first buildings are continuing.

### **Other information**

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As we have already communicated, ATENOR entered into exclusive negotiation with Europa Real Estate III to enter into a joint venture (90/10) through the company indirectly holding the rights in rem for the "REALEX" project located between the Rue de la Loi and the Rue de Lalaing in Brussels. A due diligence is currently in progress.

### **Principal risks and uncertainties**

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The on-going legal procedures regarding liquidity companies ("sociétés de liquidités"), in which in particular ATENOR and several of its management are involved, have continued.

In the E. Migeotte / Société Générale (France)" case, the Turnhout Criminal Court acknowledged, in January 2015, the good faith of ATENOR and its managers and the absence of any infringement by them and acquitted them. The prosecution however appealed this judgement. The case was re-heard by the Anvers Appeal Court in May 2016. The judgement is expected on 28 September 2016.

In the "D-Facto – Cabepo" case, the Brussels Criminal Court delivered its judgement on 4 May 2016. The court clearly ruled for the total absence of forgery and use of forged tax documents by ATENOR and its directors, with as legal consequence the time-barring of proceedings concerning the other claims brought. As for ATENOR and its Management, the criminally blameless behaviour in their past agreements was stressed.



On the expiry of the appeal period, the Prosecution has not seen fit to file an appeal. The judgement of 4 May 2016 can therefore be considered definitive at criminal level.

As for the claims of the tax administration as civil party, they had been rejected in very clear terms by the Court.

The "Erasmonde-American Energy" case will be brought before the Brussels Criminal Court in September 2016.

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

### ***Own shares***

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On 31 December 2015, ATENOR s.a. held 4,480 own shares.

During the first semester, it acquired 14,128 own shares part of which was then transferred to the beneficiaries of the share option plans (SOP 2012), bringing the number of shares currently in its possession to 12,108.

The ATENOR GROUP INVESTMENTS subsidiary owns 163,427 ATENOR shares in order to fulfil the commitments made towards the beneficiaries of the 2013-2016 SOPs.

### ***Perspectives for the end of the 2016 financial year***

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All the projects are progressing as expected, on the planning and sales fronts. The delivery of the AIR and Trebel buildings was an important objective of the first semester, which has been successfully achieved. The 2016 results, that will be, as the previous year, based on the pre-sales prior to completion of construction of buildings and apartments signed in 2013, 2014 and 2015, are thus progressing. These results will also be increased by the lease revenues generated by the buildings in Budapest (Vaci Greens), in Bucharest (Hermes Business Campus) and in La Hulpe (Nysdam).

Furthermore, ATENOR will be looking to seize any new acquisition project opportunity that meets its criteria, as it was during the first semester and also to take any opportunity that presents itself to increase the value of its projects in portfolio.

Lastly, considering current market conditions, ATENOR intends, in the near future, to proceed with one or several issues in the context of its new EMTN programme.

In the absence of major unforeseeable events, ATENOR expects to achieve a positive result enabling it to continue with its dividend policy. This result could still be affected by (amongst other elements) the developments in the current negotiations concerning the sale of VACI GREENS properties, whose signing dates cannot be specified at this time

### ***Dividend policy***

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ATENOR maintains its dividend policy providing shareholders with an attractive and recurrent return. The level of the dividend proposed is fixed according to several parameters and data including the resources necessary for the development of projects in portfolio and the acquisition of new opportunities.

### ***Financial calendar***

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Intermediate declaration for third quarter 2016	17 November 2016
Publication of the annual results for 2016	9 March 2017
Annual General Meeting 2016	28 April 2017

### ***Contact and Information***

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For more detailed information, we ask that you contact Stéphan Sonnevillie sa, CEO or Sidney D. Bens, CFO.

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## B. Summary Financial Statements

### Consolidated statement of comprehensive income

	Notes	In thousands of EUR	
		30.06.2016	30.06.2015
<b>Operating revenue</b>		<b>60.788</b>	<b>49.435</b>
Turnover		53.547	46.082
Property rental income		7.241	3.353
<b>Other operating income</b>		<b>4.229</b>	<b>3.666</b>
Gain (loss) on disposals of financial assets		2.447	599
Other operating income		1.767	3.060
Gain (loss) on disposals of non-financial assets		15	7
<b>Operating expenses (-)</b>		<b>-50.761</b>	<b>-40.657</b>
Raw materials and consumables used (-)		-50.004	-49.306
Changes in inventories of finished goods and work in progress		17.636	24.787
Employee expenses (-)		-2.260	-1.077
Depreciation and amortization (-)		-263	-265
Impairments (-)		0	1.045
Other operating expenses (-)		-15.870	-15.841
<b><u>RESULT FROM OPERATING ACTIVITIES - EBIT</u></b>		<b>14.256</b>	<b>12.444</b>
<b>Financial expenses (-)</b>		<b>-4.712</b>	<b>-2.686</b>
<b>Financial income</b>		<b>178</b>	<b>323</b>
<b>Share of profit (loss) from investments consolidated by the equity method</b>		<b>-74</b>	<b>-94</b>
<b><u>PROFIT (LOSS) BEFORE TAX</u></b>		<b>9.648</b>	<b>9.987</b>
<b>Income tax expense (income) (-)</b>	7	<b>-3.002</b>	<b>-4.794</b>
<b><u>PROFIT (LOSS) AFTER TAX</u></b>		<b>6.646</b>	<b>5.193</b>
<b>Post-tax profit (loss) of discontinued operations</b>		<b>0</b>	<b>0</b>
<b><u>PROFIT (LOSS) OF THE PERIOD</u></b>		<b>6.646</b>	<b>5.193</b>
Investments of non-controlling interests		0	0
<b>Group profit (loss)</b>		<b>6.646</b>	<b>5.193</b>

#### EARNINGS PER SHARE

	In EUR	
	30.06.2016	30.06.2015
<b>Number of shares</b>	<b>5.631.076</b>	<b>5.631.076</b>
<b>Basic earnings</b>	<b>1,18</b>	<b>0,94</b>
<b>Diluted earnings per share</b>	<b>1,18</b>	<b>0,94</b>

#### Other elements of the overall profit and losses

	In thousands of EUR	
	30.06.2016	30.06.2015
<b>Group share result</b>	<b>6.646</b>	<b>5.193</b>
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>		
Employee benefits	0	0
<b>Items to be reclassified to profit or loss in subsequent periods :</b>		
Translation adjustments	-915	-866
Cash flow hedge	0	0
<b>Overall total results of the group</b>	<b>5.731</b>	<b>4.327</b>
<b>Overall profits and losses of the period attributable to third parties</b>	<b>0</b>	<b>0</b>



## B. Summary Financial Statements (continued)

### Consolidated statement of the financial position

#### ASSETS

	Notes	In thousands of EUR	
		30.06.2016	31.12.2015
<b><u>NON-CURRENT ASSETS</u></b>		<b>69.879</b>	<b>81.064</b>
Property, plant and equipment	9	465	696
Investment property		0	0
Intangible assets		3.370	3.398
<i>of which goodwill</i>		3.217	3.297
Investments in related parties		0	0
Investments consolidated by the equity method		15.170	15.244
Deferred tax assets		3.053	1.498
Other non-current financial assets		10.555	30.003
Derivatives		0	0
Non-current trade and other receivables		37.266	30.225
Other non-current assets		0	0
<b><u>CURRENT ASSETS</u></b>		<b>472.051</b>	<b>471.144</b>
Assets held for sale		0	0
Inventories	10	360.627	344.167
Other current financial assets	4	72.762	15.593
Derivatives		0	0
Current tax receivables		3.495	4.563
Current trade and other receivables		20.745	95.365
Current loans payments		224	165
Cash and cash equivalents	4	10.068	7.565
Other current assets		4.130	3.726
<b>TOTAL ASSETS</b>		<b>541.930</b>	<b>552.208</b>

#### LIABILITIES AND EQUITY

		30.06.2016	31.12.2015
<b><u>TOTAL EQUITY</u></b>		<b>120.903</b>	<b>126.799</b>
<b><u>Group shareholders' equity</u></b>		<b>120.903</b>	<b>126.799</b>
Issued capital		57.631	57.631
Reserves		70.393	75.964
Treasury shares (-)		-7.121	-6.796
<b><u>Minority interest</u></b>		<b>0</b>	<b>0</b>
<b><u>Non-current liabilities</u></b>		<b>223.024</b>	<b>205.099</b>
Non-current interest bearing borrowings	5	206.338	190.291
Non-current provisions		1.721	2.278
Pension obligation		172	172
Derivatives		0	0
Deferred tax liabilities		14.073	10.573
Current trade and other payables		78	1.479
Other non-current liabilities		642	306
<b><u>Current liabilities</u></b>		<b>198.003</b>	<b>220.310</b>
Current interest bearing debts	5	141.723	172.209
Current provisions		1.338	1.338
Pension obligation		0	0
Derivatives		0	0
Current tax payables		3.257	4.663
Current trade and other payables		43.022	36.907
Other current liabilities		8.663	5.193
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>541.930</b>	<b>552.208</b>

## B. Summary Financial Statements (continued)

### Consolidated cash flow statement (indirect method)

	Notes	In thousands of EUR		
		30.06.2016	30.06.2015	31.12.2015
<b>Operating activities</b>				
- Net result		6.646	5.193	19.958
- Result of Equity method Cies		74	94	167
- Net finance cost		4.016	2.048	5.088
- Income tax expense	7	1.030	556	2.566
- <i>Result for the year</i>		<i>11.766</i>	<i>7.891</i>	<i>27.779</i>
- Depreciation		263	264	535
- Amortisation and impairment		0	-1.045	1.807
- Translation adjustments		22	-285	-72
- Provisions		-557	-136	730
- Deferred taxes	7	1.972	4.239	5.372
- (Profit)/Loss on disposal of fixed assets		-2.462	-556	-6.803
- SOP / IAS 19		-391	81	-3
- <i>Adjustments for non cash items</i>		<i>-1.153</i>	<i>2.562</i>	<i>1.566</i>
- Variation of inventories		-17.481	-27.657	-65.088
- Variation of trade and other amounts receivables		49.361	-30.091	-60.461
- Variation of trade payables		4.397	2.900	5.190
- Variation of amounts payable regarding wage taxes		-135	-75	63
- Variation of other receivables and payables		2.342	-17.603	-15.475
- <i>Net variation on working capital</i>		<i>38.484</i>	<i>-72.526</i>	<i>-135.771</i>
- Interests received		178	159	470
- Income tax (paid) received		-2.513	3.442	3.160
<b>Cash from operating activities (+/-)</b>		<b>46.762</b>	<b>-58.472</b>	<b>-102.796</b>
<b>Investment activities</b>				
- Acquisitions of intangible and tangible fixed assets		-112	-165	-349
- Acquisitions of financial investments		-30	0	-500
- New loans		-1.195	-4.674	-18.300
- <i>Subtotal of acquired investments</i>		<i>-1.337</i>	<i>-4.839</i>	<i>-19.149</i>
- Disposals of intangible and tangible fixed assets		42	23	23
- Disposals of financial investments		22.361	0	4.379
- Reimbursement of loans		19.765	3.118	3.118
- <i>Subtotal of disinvestments</i>		<i>42.168</i>	<i>3.141</i>	<i>7.520</i>
<b>Cash from investment activities (+/-)</b>		<b>40.831</b>	<b>-1.698</b>	<b>-11.629</b>
<b>Financial activities</b>				
- Increase in capital		0	0	0
- Decrease in capital		0	0	0
- Treasury shares		-462	-1.066	-215
- Proceeds from borrowings		58.295	127.697	168.572
- Repayment of borrowings		-72.206	-87.147	-84.676
- Interests paid		-2.323	-3.581	-8.799
- Dividends paid to company's shareholders	6	-10.911	-4.387	-4.309
- Directors' entitlements		-316	-324	-324
<b>Cash from financial activities (+/-)</b>		<b>-27.923</b>	<b>31.192</b>	<b>70.249</b>
<b>Net cash variation</b>				
- Cash and cash equivalent at the beginning of the year		23.158	67.240	67.240
- Net variation in cash and cash equivalent		59.670	-28.978	-44.176
- Non cash variations (Cur. conversion, chge in scope, etc...)		2	248	94
- Cash and cash equivalent at end of the year	4	82.830	38.510	23.158



## B. Summary Financial Statements (continued)

### Consolidated statement of change in equity

In thousands of EUR

	Issued capital	Hedging reserves	Own shares	Accumulated results	Profit/loss of the period	IAS 19R reserves	Cumulative translation adjustments	Minority interests	Total Equity
<b>Balance as of 01.01.2015</b>	<b>51.113</b>	-	<b>(6.345)</b>	<b>83.629</b>	-	<b>(326)</b>	<b>(15.167)</b>	-	<b>112.904</b>
Profit/loss of the period	-	-	-	-	19.958	-	-	-	19.958
Other elements of the overall results	-	-	-	-	-	59	(1.595)	-	(1.536)
<b>Total comprehensive income</b>	-	-	-	-	<b>19.958</b>	<b>59</b>	<b>(1.595)</b>	-	<b>18.422</b>
Capital increase	6.518	-	-	-	-	-	-	-	6.518
Paid dividends	-	-	-	(10.591)	-	-	-	-	(10.591)
Own shares	-	-	(451)	-	-	-	-	-	(451)
Share based payment	-	-	-	(3)	-	-	-	-	(3)
Others	-	-	-	-	-	-	-	-	-
<b>Balance as of 31.12.2015</b>	<b>57.631</b>	-	<b>(6.796)</b>	<b>73.035</b>	<b>19.958</b>	<b>(267)</b>	<b>(16.762)</b>	-	<b>126.799</b>
<b>First semester 2015</b>									
<b>Balance as of 01.01.2015</b>	<b>51.113</b>	-	<b>(6.345)</b>	<b>83.629</b>	-	<b>(326)</b>	<b>(15.167)</b>	-	<b>112.904</b>
Profit/loss of the period	-	-	-	-	5.193	-	-	-	5.193
Other elements of the overall results	-	-	-	-	-	-	(866)	-	(866)
<b>Total comprehensive income</b>	-	-	-	-	<b>5.193</b>	-	<b>(866)</b>	-	<b>4.327</b>
Capital increase	6.518	-	-	-	-	-	-	-	6.518
Paid dividends	-	-	-	(10.591)	-	-	-	-	(10.591)
Own shares	-	-	(451)	-	-	-	-	-	(451)
Share based payment	-	-	-	(770)	-	-	-	-	(770)
Others	-	-	-	-	-	-	-	-	-
<b>Balance as of 30.06.2015</b>	<b>57.631</b>	-	<b>(6.796)</b>	<b>72.268</b>	<b>5.193</b>	<b>(326)</b>	<b>(16.033)</b>	-	<b>111.937</b>
<b>First semester 2016</b>									
<b>Balance as of 01.01.2016</b>	<b>57.631</b>	-	<b>(6.796)</b>	<b>92.993</b>	-	<b>(267)</b>	<b>(16.762)</b>	-	<b>126.799</b>
Profit/loss of the period	-	-	-	-	6.646	-	-	-	6.646
Other elements of the overall results	-	-	-	-	-	-	(915)	-	(915)
<b>Total comprehensive income</b>	-	-	-	-	<b>6.646</b>	-	<b>(915)</b>	-	<b>5.731</b>
Capital increase	-	-	-	-	-	-	-	-	-
Paid dividends	-	-	-	(10.911)	-	-	-	-	(10.911)
Own shares	-	-	(325)	-	-	-	-	-	(325)
Share based payment	-	-	-	(391)	-	-	-	-	(391)
Others	-	-	-	-	-	-	-	-	-
<b>Balance as of 30.06.2016</b>	<b>57.631</b>	-	<b>(7.121)</b>	<b>81.691</b>	<b>6.646</b>	<b>(267)</b>	<b>(17.677)</b>	-	<b>120.903</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ON 30.06.2016

### Note 1. Corporate information

The half-year consolidated financial statements of the Group on 30 June 2016 were adopted by the Board of Directors at 31 August 2016.

### Note 2. Principal accounting methods

#### 1. Basis for preparation

The consolidated accounts of 30 June 2016 were prepared in conformity with the IAS 34 standard relating to intermediate financial information.

The intermediate financial accounts must be read alongside the annual report of 31 December 2015.

#### 2. Consolidation principles and significant accounting principles

The evaluation rules adopted for the preparation of the consolidated financial situation of 30 June 2016 were not modified compared to the rules followed for the preparation of the annual report of 31 December 2015.

The consolidated half-year financial statements were prepared in accordance with IFRS standards (*International Financial Reporting Standards*) as adopted in the European Union.

### 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:

- a steering committee which meets weekly for each of the projects and
- 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 contractor.

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

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

	In thousands of EUR		
	30.06.2016	30.06.2015	31.12.2015
Other current financial assets	72.762	33.208	15.593
Cash and cash equivalents	10.068	5.302	7.565
<b>TOTAL CASH AT THE END OF THE PERIOD</b>	<b>82.830</b>	<b>38.510</b>	<b>23.158</b>

(See page 8)

### Note 5. Financial Liabilities

	In thousands of EUR		
	Current	Non-current	TOTAL
	Up to 1 year	More than 1 year	
<b>Movements on Financial Liabilities</b>			
<b>On 31.12.2015</b>	<b>172.209</b>	<b>190.291</b>	<b>362.500</b>
Movements of the period			
- New loans	37.565	20.248	<b>57.813</b>
- Reimbursement of loans	-72.020	0	<b>-72.020</b>
- Short-term/long-term transfer	4.015	-4.015	<b>0</b>
- Variations from foreign currency exchange	-58	-57	
- Hedging of fair marketvalue	0	0	<b>0</b>
- Others	12	-129	<b>-117</b>
<b>On 30.06.2016</b>	<b>141.723</b>	<b>206.338</b>	<b>348.061</b>

The continuation of the works of the projects in portfolio combined with the refinancing of block A of the Vaci Greens project and of the loan repayments following the Trebel and Air Properties projects lead to the decrease in the financial debt on 30 June 2016 (€ - 14.44 M).

According to the IFRS 13, the "fair value" of the bond (listed security) of a nominal value of 60 million Euro (2012-2017) stands on 30 June 2016 at 62.7 million Euro (104.50% listed price on Euronext Brussels).

#### **Note 6. Paid Dividends**

Dividends on ordinary shares declared and paid during the first semester:

**Final dividend for 2015: 2,00 EUR**

**Final dividend for 2014: 2,00 EUR**

In thousands of EUR		
30.06.2016	30.06.2015	31.12.2015
-10.911	-4.387	-4.309

ATENOR does not offer any interim dividend.

#### **Note 7. Income taxes**

**INCOME TAX EXPENSE / INCOME - CURRENT AND DEFERRED**

**INCOME TAX EXPENSE/INCOME - CURRENT**

Current period tax expense

Adjustments to tax expense/income of prior periods

**Total current tax expense, net**

**INCOME TAX EXPENSE/INCOME - DEFERRED**

Related to the current period

Related to tax losses of the current period

**Total deferred tax expense**

**TOTAL CURRENT AND DEFERRED TAX EXPENSE**

In thousands of EUR		
30.06.2016	30.06.2015	31.12.2015
-1.024	-563	-2.611
-6	7	45
<b>-1.030</b>	<b>-556</b>	<b>-2.566</b>
-3.818	-4.699	-10.610
1.846	461	5.237
<b>-1.972</b>	<b>-4.238</b>	<b>-5.373</b>
<b>-3.002</b>	<b>-4.794</b>	<b>-7.939</b>

See page 7

#### **Note 8. Segment reporting**

ATENOR exercises its main activity of developing real estate promotion projects essentially in the area of office and residential buildings with relatively homogeneous characteristics and similar viability and risk profiles.

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

#### **Note 9. Property, Plant and Equipment**

The "tangible fixed assets" item is only affected by the amortization expense and any investments.

It totals 460 thousand euro and mainly consists of the improvements made to the premises leased under the TRP "Temporary Relocation Package" project in Luxembourg

#### **Note 10. Inventories**

The "buildings held for sale" classified under "Inventories (Stock)" represent the real estate projects in portfolio and in the course of development. This item amounts to 360.63 million Euro, a net increase of 16.46 million Euro in comparison with 31 December 2015. This change is mainly due to (a) the continuation of works of the Hermes Business Campus (Bucharest), Vaci Greens (Budapest) and The One (Brussels) projects, representing in total +25.33 million Euro and (b) the apartment sales of the Port du Bon Dieu, Les Brasseries de Neudorf and UP-site projects which have decreased the stock by -12.04 million Euro. The remaining balance of the net variation of this item (+€ 3.17 M) is distributed over the other projects in development.

**Note 11. Stock option plans for employees and other payments based on shares**

On 3 March 2016, ATENOR issued a new stock option plan (SOP 2016) for the subsidiary named Atenor Group Investments (AGI). The options issued on this subsidiary benefit ATENOR management, personnel and service providers (see page 56 of the Financial Annual Report 2015).

This SOP may be exercised during the three periods following 11 March to 31 March 2019, from 9 March to 31 March 2020 and from 8 March to 31 March 2021.

On 3 March 2016, the Board of Directors, on the recommendation of the Remuneration Committee, distributed 528 Atenor Group Participations (AGP) shares in accordance with the remuneration policy described in the "Corporate Governance" section of our 2015 Annual Financial Report (page 58).

The expense recognised for the first half of 2016 amounted to 1,002 million Euro.

**Note 12. Related Parties**

Within the framework of the VICTOR mixed project, the implemented partnership (50/50) with BPI has led to the consolidation by the equity method of the companies Immoange, Victor Properties and Victor Estates.

ATENOR has the following receivables from Immoange (0.24M), Victor Properties (€ 0.51 M) and Victor Estates (9.11 M).

No important change occurred concerning the related parties during the first half of 2016.

**Note 13. Derivatives**

ATENOR does not use derivative instruments for trading purposes. No new contract was implemented to cover rate hedges or foreign exchange hedges during 2016. The last IRS contract was completed in July 2015.

**Note 14. Own shares**

**MOVEMENTS IN OWN SHARES**

On 01.01.2016 (average price of 40,47 € per share)

Movements during the period

- acquisitions

- sales

**Own shares as of 30.06.2016 (average price 40,56 € per share)**

<i>Amount (In thousands of EUR)</i>	<i>Number of own shares</i>
6.796	167.907
615	14.128
-290	-6.500
<b>7.121</b>	<b>175.535</b>

**Number of shares to obtain in order to cover**

- stock options plan 2007

- stock options plan 2008

**TOTAL**

<i>Number of shares</i>
32.000
9.250
<b>41.250</b>

**Note 15. Events after the closing date**

As announced on the 12<sup>th</sup> July, ATENOR has undertaken actions to acquire 90% of the company that indirectly holds the rights in rem on the REALEX project in Brussels. This transaction however remains subject to the signing of a satisfactory and complete due diligence and is accompanied by the usual safeguard clauses.

No other significant event subsequent to 30 June 2016 is to 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 30 June 2016 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;<sup>1</sup>
- The six month report contains a true reflection of the major events and of the principal transactions between related parties occurring during the first six months of the financial year and of their impact on the summary financial statements as well as a description of the main risks and uncertainties for the remaining months of the financial year (see page 5 of the present document).

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<sup>1</sup> Affiliated companies of ATENOR in the sense of article 11 of the Company Code

## **D. External audit**

### **Statutory auditor's report on the review of the condensed consolidated interim financial information of ATENOR SA for the period ended 30 June 2016**

#### *Introduction*

We have reviewed the *condensed consolidated interim financial information* of ATENOR SA as of June 30, 2016, and for the period of six months ended on that date, including the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of financial position, the condensed consolidated interim statement of cash flows, the condensed consolidated interim statement of changes in equity, the accounting policies, and a selection of explanatory notes.

The board of directors is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with IAS 34 - *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

#### *Scope of Review*

We conducted our review in accordance with ISRE (*International Standard on Review Engagements*) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the preceding condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 - *Interim Financial Reporting* as adopted by the European Union.

Brussels, August 31, 2016

Mazars Réviseurs d'Entreprises SCRL  
Statutory auditor  
Represented by Xavier DOYEN