

## HALF YEAR FINANCIAL REPORT 2017

La Hulpe, 31 August 2017

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

The first half of 2017 closed with a consolidated net profit (group share) of 16.75 million Euro compared to a result of 6.65 million Euro for the first half of 2016.

This result has been generated principally by the sale of the Vaci Greens buildings (A and B) and the margin generated on pre-sold projects, both office and residential. The lease revenues of the HBC (Bucharest) and Nysdam (La Hulpe) buildings have also brought a contribution. The revenue of this semester has once again been diverse with 10 projects contributing to the results.

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

<b>Results</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
Net consolidated result (group share)	16,749	6,646
Profit per share (in Euro)	2.97	1.18
Number of shares	5,631,076	5,631,076
of which own shares	172,927	175,,535
<b>Balance sheet</b>	<b>30.06.2017</b>	<b>31.12.2016</b>
Total assets	612,697	686,090
Cash position at the end of the period	114,555	145,395
Net indebtedness (-)	-276,771	-305,078
Total of consolidated equity	147,787	139,395

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

**The revenues from ordinary activities** as at 30 June 2017 amounted to 144.18 million Euro. They mainly consist of (a) revenue realised on the sale of the A and B buildings of the Vaci Greens project in Budapest (€ 96.95 M), (b) turnover on the pre-sale of the CBC building in Namur (€ 7.23 M), (c) revenue from the sale of apartments in residential projects: Palatium in Brussels (€ 10.38 M), Au Fil des Grands Prés in Mons (€ 8.01 M), UP-site in Brussels (€ 5.23 M), Les Brasseries de Neudorf in Luxembourg (€ 3.55 M) and Port du Bon Dieu in Namur (€ 2.09 M) as well as (d) lease revenues on the Hermes Business Campus buildings in Bucharest (€ 4.27 M).

**The other operating revenue** (€ 3.69 M) mainly includes the re-invoicing of service charges and miscellaneous costs of the leased buildings (€ 2.47 M) and the realised gains arising, from the sale of the Senior Island holding (City Dox project) as construction works on the rest home progressed (€ 0.91 M).

The **operating result** amounts to 25.07 million Euro, an increase of 76% as compared to 30 June 2016. It is mainly influenced by the sale of building A and B of the Vaci Greens project (Budapest; € 18.97 M), the pre-sale of the CBC building (Namur; € 1.31 M), by the sale of apartments of the various residential projects, mainly Au Fil des Grands Prés (Mons), Palatium (Brussels), City Dox (Anderlecht) and The One (Brussels) for respectively € 1.72 M, € 0.83 M, € 0.64 M and € 0.42 M.

The rental revenue net of charges of the HBC (Bucharest; € 3.93 M) and Nysdam (La Hulpe; € 0.28 M) buildings and the sales of the Senior Island holding in Anderlecht (City Dox project; € 0.91 M) bring an additional contribution to the result.

Finally, general expenses amount to 3.92 million Euro.

The **net financial result** amounts to -4.93 million Euro compared with -4.53 million Euro for the first half of 2016. The light increase of net financial charges over the first half year is mainly due to the recognition of interest expense relating to the EMTN issuance (€ 86.10 M) of October 2016, offset by the collection of interest on receivables compared to the first semester of 2016.

**Taxes** amounted to 3.33 million Euro on 30 June 2017 and are mainly composed, on the one hand, of a use of deferred tax assets linked to the projects developed in ATENOR s.a. (€ 0.87 M), and on the other hand, of taxes and deferred tax liabilities relating mainly to the Vaci Greens (€ 0.84M) Port du Bon Dieu (€ 0.47 M) and Au Fil des Grands Prés (€ 0.35) projects.

**The net result (group share)** of the first half of the financial year amounts to 16.75 million Euro.

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

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**The consolidated shareholders' equity** amounts to 147,79 million Euro, which represents 24% of the balance sheet total.

As at 30 June 2017, the Group has a net financial indebtedness of 276.77 million Euro (including cash amounting to € 114.55 M) compared with a net financial indebtedness of 305.08 million Euro (including cash amounting to € 145.40 M) as at 31 December 2016.

This decrease in net debt of the Group (€ -28.31 M) in comparison with 31 December 2016 is mainly due to the sale of the buildings A and B of the Vaci Greens project.

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 396.68 million Euro, a net decrease of 32.53 million Euro in comparison with 31 December 2016. This change is mainly due to (a) the sale of the A and B buildings of the Vaci Greens project in Budapest (€ -63.57 M), (b) acquisitions of neighbouring buildings around the Realex project and in zone 1 of the Au Fil des Grands Prés project in Mons (€ +16.64 M), (c) the continuation of works of The One (Brussels), City Dox (Anderlecht), Vaci Greens block D (Budapest) and the Hermes Business Campus (Bucharest) projects, representing in total +19.61 million Euro and (d) the apartment sales of the Palatium, Au Fil des Grands Prés, Port du Bon Dieu and UP-site projects which have decreased the stock by 8.33 million Euro. The remaining balance of the net variation of this item (€ +3.12 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 its 17 projects in portfolio representing approx. 640,000 m<sup>2</sup>.

The favourable evolution observed over the last few months of the projects in portfolio shows an active management of our projects in a satisfactory real estate market.

The projects experienced the following developments:

#### ***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 according to schedule with their provisional delivery scheduled for late 2018. To date, the structural works have reached the 16th floor (of 21).

On the commercial side, 37% of the apartments and the two ground-floor retail spaces have been sold (excluding reservations). The global marketing campaign launched at the end of May gave new impulse to the sales process.

The One building has been selected for the proposition as Belgian candidate to house the European Medicines Agency (EMA). Contacts regarding office leasing are also ongoing.

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

#### ***REALEX - [90% ATENOR] - European Quarter, between the Rues de la Loi & de Lalaing, Brussels (42,000 m<sup>2</sup> of offices)***

Notwithstanding the existing permit for the construction of 42,000 m<sup>2</sup> of office space, the decision was made to postpone the launch of the project in the light of a probable request for proposals from European institutions. In this context, we proceeded in March of this year with the acquisition of the VDAB building and its direct neighbour with the aim to extend the Realex project or to develop a new project of 10,000 m<sup>2</sup>.

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

The redevelopment works that started in late 2015 have continued, with their provisional delivery scheduled for late 2017.

On the sales front, 74% of the 152 apartments and the three office spaces have already been sold. Since February 2017, model apartments have been supporting the marketing.

***CITY DOX - Canal area, quai de Biestebroek, Anderlecht (approx. 165,000 m<sup>2</sup> mixed)***

The phase one construction works and the sales process relating to the building of 93 apartments (26% of which are already sold), 8,500 m<sup>2</sup> of integrated business services, 71 service flats (11% of which have already been sold) and one rest home, i.e. 39,500 m<sup>2</sup> in total, have continued, with delivery scheduled for mid-2018.

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

Furthermore, the application for the subdivision permit for phase two of the project, of a mainly residential nature introduced in May 2016, is still 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 subsidized housing.

***VICTOR [50% ATENOR] - 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 new COBAT (Drafting of a Development Master Plan: PAD), due in September. On the issuing authority's suggestion, ATENOR will study, once the planning framework has been established, the launch of an architecture contest integrating the latest parameters set out in the master plan. Following this contest, and in parallel to the PAD's planning appraisal, the building and environmental permit applications will be filed as soon as possible, with a view to executing the Victor project, as indicated in the Government's programme.

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

Renovation works on the street-front offices (phase 1 – 4,000 m<sup>2</sup>) are scheduled to start in mid-September for delivery in Autumn 2018.

In parallel, and in the wake of the decision by the District to halt the PCAR procedure, discussions are under way with the appropriate authorities to establish a guideline for the remainder of the program, the aim being to file a permit application as soon as possible for the second phase of the project, of a mainly residential nature.

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

The building, currently 80% let, generates a gross annual lease revenue of 1.1 million Euro. Contacts are in progress for the leasing of the remainder of the spaces.

We remind you that this building was acquired in 2015 for the purposes of a future redevelopment.

***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 on 4 September 2017.

The development margin is recorded as construction works progress.

***AU FIL DES GRANDS PRÉS – “Les Grands Prés” shopping precinct district, Mons (approx. 75,000 m<sup>2</sup> mixed)***

The five blocks of the first phase (168 apartments in total) are 100% pre-sold. The first two were delivered in December 2016 and April 2017 respectively. The sale of the 6<sup>th</sup> residential block (34 apartments) started and already shows a rate of 74% of pre-sold apartments.

Following depollution work at the edge of the plot, two new blocks (64 apartments) will complete this initial phase. The application for the building permit was filed in June.

The planning permit encompassing the other plots (phase 2) of the project and linking the commercial gallery to the new station, is still pending. Ultimately, it will enable the development of several hundred residential units, local retail shops and offices. As soon as it is obtained, a first building permit for offices will be submitted.

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

The first two blocks have been delivered and the delivery of the third and fourth ones began this month. To date, 69% of the 91 apartments have been sold.

The construction of the 5<sup>th</sup> block (35 apartments) that started in December 2016, is in progress.

A new marketing campaign and a series of open days were organized in June with the aim of maintaining a satisfactory rate of sales.

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

The works and the clearing of remarks are finally coming to an end; only a few apartments remain to be delivered as a result of modifications requested by the buyers.

Reminder: all apartments have been sold and 3 commercial premises are still for sale.

***NAOS – [55% ATENOR] Belval area, Grand-Duchy of Luxembourg (office and retail building – 14,000 m<sup>2</sup>)***

All the necessary authorizations were obtained in July and construction work began as soon as the earthworks were completed. The building is 51% pre-leased following the signing of a lease with the Arns IT group and the A<sup>3</sup>T consultancy, audit and accounting services company.

Contacts will shortly be launched to lease the remaining spaces.

***BORDS DE SEINE 1 [95% ATENOR] – Bezons (Paris) (32,500 m<sup>2</sup> of offices)***

On 7 July 2017, via a French subsidiary, ATENOR acquired an approximately 7,000 m<sup>2</sup> site on the banks of the Seine in the Paris La Défense perimeter area, in Bezons (France). The site already has a building permit for an office building of some 32,500 m<sup>2</sup> above ground.

The project will be carried out in partnership with a French firm and overseen by project manager HRO. ATENOR will own 95% of the joint venture.

ATENOR intends to file a new building permit application soon, with a view to optimizing the building's sustainability, and construction will begin following the granting of the permit.

***VACI GREENS – Vaci Corridor, Budapest (130,500 m<sup>2</sup> of offices)***

We remind you that, in a very active investment market, we have completed, over the first half of 2017, the sale of the buildings A and B of Vaci Greens, representing turnover of over 96 million Euro.

In parallel, we also signed two new lease contracts for those A and B buildings, taking their occupancy rate to 93% and 95% respectively, leading to an additional positive impact on the 2017 results.

The works on the 4<sup>th</sup> block, the Vaci Greens D building (17,000 m<sup>2</sup>), are continuing for a delivery scheduled in the 1<sup>st</sup> quarter of 2018. This building has a pre-lease of 3,200 m<sup>2</sup> and active negotiations are under way on both rentals and sale. Architectural studies are still under way concerning the development of the last two blocks (E and F) of the campus (45,000 m<sup>2</sup>).

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

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

To date, the three buildings (72,000 m<sup>2</sup>) are fully leased, with the final spaces still being fitted out for tenants taking up occupancy in phases.

Contacts are ongoing regarding the future sale of these buildings, although there are no plans to push through a sale in 2017, given the continuing upward trend in the investment market.

***DACIA ONE – Intersection of Calea Victoria and Boulevard Dacia, CBD, Bucharest (15,000 m<sup>2</sup> of office space)***

A permit application for 15,800 m<sup>2</sup> will be submitted in the next few months under a zonal urban plan or PUZ (*Planul Urbanistic Zonal*). An application for a renovation permit for the protected building has been submitted and is expected to be issued in the next few weeks. Construction works will therefore run through to the end of 2019.

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

***Other information***

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- ATENOR has agreed with Immo Beaulieu not to pursue discussions opened with a view to acquiring the right of emphyteusis over the two Certificat Beaulieu buildings in Auderghem (Brussels).
- On 19 July 2017, ATENOR announced its selection following the architectural contest launched by AGORA, the agency responsible for urban development in Belval (Grand-Duchy of Luxembourg), for the



development of plot 46 in the Square Mile district, part of the new residential and tertiary development hub across the districts of Sanem and Esch-sur-Alzette. The project consists of developing a 14,300 m<sup>2</sup> mixed-use building on a 2,880 m<sup>2</sup> site, comprising office space, housing and shops. The next stage will be to file a specific development plan or PAP (*Plan d'Aménagement Particulier*) in consultation with the local authorities.

### ***Principal risks and uncertainties***

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- Regarding the construction of the PIXEL building in Luxembourg (2007), general contractors Soludec and CIT Blaton issued a summons against ATENOR for reimbursement of penalties for which ATENOR had obtained payment by calling on bank guarantees (0.54 million Euro) and payment for various other damages.

On 9 March 2012, the District Court of Luxembourg partially accepted this request, to the limit of 0.37 million Euro. On 24 May 2012, ATENOR appealed this ruling and set aside provisions in 2012 in the amount of 0.37 million Euro. The case is still pending on appeal. The pleadings will be heard on 8 January 2018.

- A dispute opposes ATENOR Luxembourg to the consortium of the contractors Soludec, CIT Blaton and Van Laere, to whom the construction of the PRESIDENT building in Luxembourg was entrusted. ATENOR is asking in court in particular for the application of contractual penalties for lateness, while the contractors are claiming various damages. The legal expert appointed in July 2010 submitted his report in 2013. ATENOR Luxembourg has called upon the bank guarantees set up for its benefit. From them it obtained payment in the amount of 5.00 million Euro by a ruling in February 2011. This ruling was confirmed in December 2012 by the Court of Appeals of Luxembourg. This amount has not been recorded in the consolidated results.

The proceedings are still in progress before the Luxembourg district court. On 17 November 2016, the latter issued a "provisional" judgement assigning an additional appraisal assignment to the same expert, which started on 26 April 2017.

As ATENOR has stated since the beginning of these legal procedures and has repeatedly stated in its annual reports, ATENOR is confident that its position and its good faith will be recognised in court.

### ***Own shares***

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On 31 December 2016, ATENOR s.a. held 11,308 own shares.

Following various transactions over the first half of the year, ATENOR s.a. held 9,500 own shares at end June 2017. Although the policy is not strictly speaking a systematic buyback of own shares, Atenor seizes any opportunity for such buybacks in view of the value of the shares and the comfortable cash position.

The ATENOR GROUP INVESTMENTS subsidiary owns 163,427 ATENOR shares in order to fulfil the commitments made towards the beneficiaries of the 2014-2017 SOPs.

### ***Perspectives for the end of the 2017 financial year***

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Barring any major unforeseen events, ATENOR expects to achieve a positive result for the current financial period at least equivalent to that of 2016.

In addition, further investments are envisaged as part of the ongoing process of project purchase-value add-sale, with special emphasis on diversifying activities internationally.

### ***Dividend policy***

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ATENOR intends to maintain its dividend policy providing shareholders with an attractive and recurrent return.

### ***Financial calendar***

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Intermediate declaration for third quarter 2017	15 November 2017
Publication of the annual results for 2017	8 March 2018
Annual General Meeting 2017	27 April 2018
Intermediate declaration for first quarter 2018	17 May 2018



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

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For more detailed information, we ask that you contact Stéphan Sonnevile 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	
		30.06.2017	30.06.2016
<b>Operating revenue</b>		<b>144.181</b>	<b>60.788</b>
Turnover		138.582	53.547
Property rental income		5.599	7.241
<b>Other operating income</b>		<b>3.691</b>	<b>4.229</b>
Gain (loss) on disposals of financial assets		914	2.447
Other operating income		2.705	1.767
Gain (loss) on disposals of non-financial assets		72	15
<b>Operating expenses (-)</b>		<b>-122.801</b>	<b>-50.761</b>
Raw materials and consumables used (-)		-60.661	-50.004
Changes in inventories of finished goods and work in progress		-36.848	17.636
Employee expenses (-)		-1.322	-2.260
Depreciation and amortization (-)		-172	-263
Impairments (-)		539	0
Other operating expenses (-)		-24.337	-15.870
<b><u>RESULT FROM OPERATING ACTIVITIES - EBIT</u></b>		<b>25.071</b>	<b>14.256</b>
<b>Financial expenses (-)</b>		<b>-5.767</b>	<b>-4.712</b>
<b>Financial income</b>		<b>833</b>	<b>178</b>
<b>Share of profit (loss) from investments consolidated by the equity method</b>		<b>-115</b>	<b>-74</b>
<b><u>PROFIT (LOSS) BEFORE TAX</u></b>		<b>20.022</b>	<b>9.648</b>
<b>Income tax expense (income) (-)</b>	7	<b>-3.326</b>	<b>-3.002</b>
<b><u>PROFIT (LOSS) AFTER TAX</u></b>		<b>16.696</b>	<b>6.646</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>16.696</b>	<b>6.646</b>
Non controlling interests		-53	0
<b>Group profit (loss)</b>		<b>16.749</b>	<b>6.646</b>
<b><u>EARNINGS PER SHARE</u></b>		<b>EUR</b>	<b>EUR</b>
		<b>30.06.2017</b>	<b>30.06.2016</b>
<b>Total number of issued shares</b>		<b>5.631.076</b>	<b>5.631.076</b>
of which own shares		<b>172.927</b>	<b>175.535</b>
<b>Weighted average number of shares (excluding own shares)</b>		<b>5.457.339</b>	<b>5.458.446</b>
<b>Basic earnings</b>		<b>3,07</b>	<b>1,22</b>
<b>Diluted earnings per share</b>		<b>3,07</b>	<b>1,22</b>
<b><u>Other elements of the overall profit and losses</u></b>		<b>In thousands of EUR</b>	<b>In thousands of EUR</b>
		<b>30.06.2017</b>	<b>30.06.2016</b>
<b>Group share result</b>		<b>16.749</b>	<b>6.646</b>
<b>Items not to be reclassified to profit or loss in subsequent periods :</b>			
Employee benefits			0
<b>Items to be reclassified to profit or loss in subsequent periods :</b>			
Translation adjustments		2.800	-915
Cash flow hedge			
<b>Overall total results of the group</b>		<b>19.549</b>	<b>5.731</b>
<b>Overall profits and losses of the period attributable to third parties</b>		<b>-53</b>	<b>0</b>

## B. Summary Financial Statements (continued)

### Consolidated statement of the financial position

	Notes	In thousands of EUR	
		30.06.2017	31.12.2016
<b><u>NON-CURRENT ASSETS</u></b>		<b>64.853</b>	<b>65.577</b>
Property, plant and equipment		251	355
Investment property			
Intangible assets		441	2.564
<i>of which goodwill</i>		264	2.374
Investments in related parties			0
Investments consolidated by the equity method		20.474	20.589
Deferred tax assets		4.865	6.000
Other non-current financial assets		16.196	12.971
Derivatives			
Non-current trade and other receivables		22.626	23.098
Other non-current assets			0
<b><u>CURRENT ASSETS</u></b>		<b>547.844</b>	<b>620.513</b>
Assets held for sale			0
Inventories	9	396.675	429.209
Other current financial assets	4	75.661	41.944
Derivatives			
Current tax receivables		3.264	4.241
Current trade and other receivables		27.158	36.178
Current loans payments		1.018	185
Cash and cash equivalents	4	38.894	103.451
Other current assets		5.174	5.305
<b>TOTAL ASSETS</b>		<b>612.697</b>	<b>686.090</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
		<b>30.06.2017</b>	<b>31.12.2016</b>
<b><u>TOTAL EQUITY</u></b>		<b>147.787</b>	<b>139.395</b>
<b><u>Group shareholders' equity</u></b>		<b>144.801</b>	<b>136.655</b>
Issued capital		57.631	57.631
Reserves		94.182	86.116
Treasury shares (-)		-7.012	-7.092
<b><u>Minority interest</u></b>		<b>2.986</b>	<b>2.740</b>
<b><u>Non-current liabilities</u></b>		<b>243.588</b>	<b>245.253</b>
Non-current interest bearing borrowings	5	223.014	226.422
Non-current provisions		5.863	2.314
Pension obligation		335	335
Derivatives			0
Deferred tax liabilities		13.361	15.193
Current trade and other payables		195	195
Other non-current liabilities		820	794
<b><u>Current liabilities</u></b>		<b>221.322</b>	<b>301.442</b>
Current interest bearing debts	5	168.312	224.051
Current provisions			0
Pension obligation			0
Derivatives			0
Current tax payables		5.487	4.243
Current trade and other payables		39.596	66.964
Other current liabilities		7.927	6.184
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>612.697</b>	<b>686.090</b>



## B. Summary Financial Statements (continued)

### Consolidated cash flow statement (indirect method)

	Notes	In thousands of EUR		
		30.06.2017	30.06.2016	31.12.2016
<b>Operating activities</b>				
- Net result		16.749	6.646	20.375
- Result of non controlling interests		-53		-14
- Result of Equity method Cies		115	74	155
- Net finance cost		4.285	4.016	8.427
- Income tax expense	7	4.038	1.030	5.315
- <i>Result for the year</i>		<i>25.134</i>	<i>11.766</i>	<i>34.258</i>
- Depreciation		172	263	500
- Amortisation and impairment		-539	0	8
- Translation adjustments		2.906	22	1.608
- Provisions		3.549	-557	-1.162
- Deferred taxes	7	-712	1.972	99
- (Profit)/Loss on disposal of fixed assets		-986	-2.462	-2.692
- SOP / IAS 19		-330	-391	-294
- <i>Adjustments for non cash items</i>		<i>4.060</i>	<i>-1.153</i>	<i>-1.933</i>
- Variation of inventories		35.690	-17.481	-39.782
- Variation of trade and other amounts receivables		9.711	49.361	65.129
- Variation of trade payables		-2.501	4.397	5.663
- Variation of amounts payable regarding wage taxes		-134	-135	-25
- Variation of other receivables and payables		-24.915	2.342	4.220
- <i>Net variation on working capital</i>		<i>17.851</i>	<i>38.484</i>	<i>35.205</i>
- Interests received		832	178	775
- Income tax (paid) received		-2.460	-2.513	-6.468
<b>Cash from operating activities (+/-)</b>		<b>45.417</b>	<b>46.762</b>	<b>61.837</b>
<b>Investment activities</b>				
- Acquisitions of intangible and tangible fixed assets		-56	-112	-277
- Acquisitions of financial investments		-2.700	-30	-5.500
- New loans		-3.555	-1.195	-3.615
- <i>Subtotal of acquired investments</i>		<i>-6.311</i>	<i>-1.337</i>	<i>-9.392</i>
- Disposals of intangible and tangible fixed assets		71	42	44
- Disposals of financial investments			22.361	
- Reimbursement of loans		331	19.765	19.765
- <i>Subtotal of disinvestments</i>		<i>402</i>	<i>42.168</i>	<i>19.809</i>
<b>Cash from investment activities (+/-)</b>		<b>-5.909</b>	<b>40.831</b>	<b>10.417</b>
<b>Financial activities</b>				
- Increase in capital		0	0	0
- Decrease in capital		0	0	0
- Treasury shares		42	-462	-422
- Proceeds from borrowings		6.723	58.295	165.492
- Repayment of borrowings		-66.774	-72.206	-95.645
- Interests paid		-1.535	-2.323	-8.964
- Dividends paid to company's shareholders	6	-11.154	-10.911	-10.911
- Directors' entitlements		-316	-316	-316
<b>Cash from financial activities (+/-)</b>		<b>-73.014</b>	<b>-27.923</b>	<b>49.234</b>
<b>Net cash variation</b>		<b>-33.506</b>	<b>59.670</b>	<b>121.488</b>
- Cash and cash equivalent at the beginning of the year		145.396	23.158	23.158
- Net variation in cash and cash equivalent		-33.506	59.670	121.488
- Non cash variations (Cur. conversion, chge in scope, etc...)		2.665	2	750
- Cash and cash equivalent at end of the year	4	114.555	82.830	145.396

## B. Summary Financial Statements (continued)

### Consolidated statement of change in equity

In thousands of EUR

	Issued capital	Hedging reserves	Own shares	Consolidated reserves	Profit/loss of the period	IAS 19R reserves	translation adjustments	Minority interests	Total Equity
<b>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	-	-	-	-	20.375	-	-	(15)	20.360
Other elements of the overall results	-	-	-	-	-	(24)	1.006	-	982
<b>Total comprehensive income</b>	-	-	-	-	<b>20.375</b>	<b>(24)</b>	<b>1.006</b>	<b>(15)</b>	<b>21.342</b>
Capital increase	-	-	-	-	-	-	-	-	-
Paid dividends	-	-	-	(10.911)	-	-	-	-	(10.911)
Own shares	-	-	(296)	-	-	-	-	-	(296)
Share based payment	-	-	-	(294)	-	-	-	-	(294)
Others	-	-	-	-	-	-	-	2.755	2.755
<b>Balance as of 31.12.2016</b>	<b>57.631</b>	-	<b>(7.092)</b>	<b>81.788</b>	<b>20.375</b>	<b>(291)</b>	<b>(15.756)</b>	<b>2.740</b>	<b>139.395</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>
<b>First semester 2017</b>									
<b>Balance as of 01.01.2017</b>	<b>57.631</b>	-	<b>(7.092)</b>	<b>102.163</b>	-	<b>(291)</b>	<b>(15.756)</b>	<b>2.740</b>	<b>139.395</b>
Profit/loss of the period	-	-	-	-	16.749	-	-	(53)	16.696
Other elements of the overall results	-	-	-	-	-	-	2.800	-	2.800
<b>Total comprehensive income</b>	-	-	-	-	<b>16.749</b>	-	<b>2.800</b>	<b>(53)</b>	<b>19.496</b>
Capital increase	-	-	-	-	-	-	-	-	-
Paid dividends	-	-	-	(11.154)	-	-	-	-	(11.154)
Own shares	-	-	80	-	-	-	-	-	80
Share based payment	-	-	-	(329)	-	-	-	-	(329)
Others	-	-	-	-	-	-	-	299	299
<b>Balance as of 30.06.2017</b>	<b>57.631</b>	-	<b>(7.012)</b>	<b>90.680</b>	<b>16.749</b>	<b>(291)</b>	<b>(12.956)</b>	<b>2.986</b>	<b>147.787</b>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ON 30.06.2017**

### **Note 1. Corporate information**

The half-year consolidated financial statements of the Group on 30 June 2017 were adopted by the Board of Directors at 30 August 2017.

### **Note 2. Principal accounting methods**

#### **1. Basis for preparation**

The consolidated accounts of 30 June 2017 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 2016.

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

The evaluation rules adopted for the preparation of the consolidated financial situation of 30 June 2017 were not modified compared to the rules followed for the preparation of the annual report of 31 December 2016.

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

As regards implementation of the new IFRS 15, and as indicated in the 2016 annual report, ATENOR expects only limited impact from implementation on its 2018 consolidated financial statements, as an analysis of the company's transactions has revealed no new material elements.

### **Note 3. Seasonal information**

The life cycle of the real estate projects of ATENOR can be summarised in three major phases: the land purchase phase, the project development and construction phase, and the marketing and sales phase. The length and process of these phases are neither similar nor comparable from one project to another.

Follow-up and compliance with the planning of each of these projects are assured by the implementation of a regular communication system. Internal control is provided by:

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

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

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

This communication system allows ATENOR to determine, monitor and resolve in timely fashion and as far as possible all potential operational risks well.

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

	<b>In thousands of EUR</b>		
	<b>30.06.2017</b>	<b>30.06.2016</b>	<b>31.12.2016</b>
Other current financial assets	75.661	72.762	41.944
Cash and cash equivalents	38.894	10.068	103.451
<b>Total cash at the end of the period</b>	<b>114.555</b>	<b>82.830</b>	<b>145.395</b>

See table on pages 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 31.12.2016</b>	<b>224.051</b>	<b>226.422</b>	<b>450.473</b>
Movements of the period			
- New loans	1.373	4.991	<b>6.364</b>
- Reimbursement of loans	-65.956		<b>-65.956</b>
- Entries in the consolidation scope			
- Variations from foreign currency exchange	107	9	<b>116</b>
- Short-term/long-term transfer	8.514	-8.514	
- Hedging of fair marketvalue			
- Others	223	106	<b>329</b>
<b>On 30.06.2017</b>	<b>168.312</b>	<b>223.014</b>	<b>391.326</b>

See page 2 comment on the consolidated balance sheet and the decrease in net debt.

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 2017 at 60.67 million Euro (101.12% listed price on Euronext Brussels). This bond will mature on 26 October 2017.

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

At 30 June 2017, the fair values of these bonds stood at 29.61 million Euro (98.70%), 17.42 million Euro (96.79%), 29.06 million Euro (96.88%) and 7.93 million Euro (97.87%) respectively.

We remind you that ATENOR set up, in November 2014, the private placement of a 5-year bond of 25 million Euro whose maturity is fixed at 03.12.2019.

### Note 6. Paid Dividends

	In thousands of EUR		
	30.06.2017	30.06.2016	31.12.2016
Dividends on ordinary shares declared and paid during the period:	-11.154	-10.911	-10.911
Final dividend for 2016 : € 2,04			
Final dividend for 2015 : € 2,00			

### Note 7. Income taxes

	In thousands of EUR		
	30.06.2017	30.06.2016	31.12.2016
<b>INCOME TAX EXPENSE / INCOME - CURRENT AND DEFERRED</b>			
<b>INCOME TAX EXPENSE/INCOME - CURRENT</b>			
Current period tax expense	-4.116	-1.024	-5.308
Adjustments to tax expense/income of prior periods	77	-6	-7
<b>Total current tax expense, net</b>	<b>-4.039</b>	<b>-1.030</b>	<b>-5.315</b>
<b>INCOME TAX EXPENSE/INCOME - DEFERRED</b>			
Related to the current period	500	-3.818	-4.265
Related to tax losses	213	1.846	4.166
<b>Total deferred tax expense</b>	<b>713</b>	<b>-1.972</b>	<b>-99</b>
<b>TOTAL CURRENT AND DEFERRED TAX EXPENSE</b>	<b>-3.326</b>	<b>-3.002</b>	<b>-5.414</b>

See table on 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. Inventories**

	EUR Milliers		
	30.06.2017	30.06.2016	31.12.2016
<b>Buildings intended for sale, beginning balance</b>	<b>429.209</b>	<b>344.167</b>	<b>344.167</b>
Activated costs	66.568	66.205	125.505
Disposals of the year	-103.416	-49.944	-111.897
Entry in the consolidation scope			69.392
Exit from the consolidation scope			0
Reclassifications from/to the "Inventories"	2.071		
Borrowing costs (IAS 23)	1.158	1.220	2.185
Foreign currency exchange increase (decrease)	117	-1.021	-138
Write-offs (recorded)			-471
Write-offs (written back)	968		466
<b>Movements during the year</b>	<b>-32.534</b>	<b>16.460</b>	<b>85.042</b>
<b>Buildings intended for sale, ending balance</b>	<b>396.675</b>	<b>360.627</b>	<b>429.209</b>
Accounting value of inventories mortgaged (limited to granted loans)	103.351	84.296	124.744

See comments on page 2.

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

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

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

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

### **Note 11. Related Parties**

	EUR Milliers	
	Montants dus aux sociétés liées	Montants dus par les sociétés liées au groupe
IMMOANGE share of the group: 50%	-	417
VICTOR ESTATES share of the group: 50%	-	4.858
VICTOR PROPERTIES share of the group: 50%	-	255
VICTOR BARA share of the group: 50%	-	2.296
VICTOR SPAAK share of the group:50%	-	4.091
NAOS share of the group: 55%	-	2.646

Following the partial demerger of Immoange, two new companies have been included in ATENOR's scope of consolidation, namely Victor Spaak and Victor Bara.

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

ATENOR has receivables as set out in the table above in respect of equity-consolidated affiliates.

No other important change occurred concerning the related parties during the first half of 2017.

### **Note 12. Derivatives**

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

### **Note 13. Own shares**

<b>MOVEMENTS IN OWN SHARES</b>	<b>Montant (EUR milliers)</b>	<b>Nombre d'actions</b>
On 01.01.2017 (average price € 40.47 per share)	7.092	174.735
Movements during the period		
- acquisitions	466	10.192
- sales	-546	-12.000
<b>Own shares as of 30.06.2017 (average price € 40,56 per share)</b>	<b>7.012</b>	<b>172.927</b>

<b>Number of shares to obtain in order to cover</b>	<b>Number of shares</b>
- stock options plan 2008	7.750
<b>TOTAL</b>	<b>7.750</b>

Although the policy is not strictly speaking a systematic buyback of own shares, ATENOR seizes any opportunity for such buybacks in view of the value of the shares and the comfortable cash position.

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

- ATENOR has agreed with Immo Beaulieu not to pursue discussions opened with a view to acquiring the right of emphyteusis over the two Certificat Beaulieu buildings in Auderghem (Brussels).
- On 7 July 2017, via a French subsidiary, ATENOR acquired an approximately 7,000 m<sup>2</sup> site on the banks of the Seine in the Paris La Défense perimeter area, in Bezons (France). The site already has a building permit for an office building of some 32,500 m<sup>2</sup> above ground.  
The project will be carried out in partnership with a French firm and overseen by project manager HRO. ATENOR will own 95% of the joint venture.  
ATENOR intends to file a new building permit application soon, with a view to optimizing the building's sustainability, and construction will begin following the granting of the permit.
- On 19 July 2017, ATENOR announced its selection following the architectural contest launched by AGORA, the agency responsible for urban development in Belval (Grand-Duchy of Luxembourg), for the development of plot 46 in the Square Mile district, part of the new residential and tertiary development hub across the districts of Sanem and Esch-sur-Alzette. The project consists of developing a 14,300 m<sup>2</sup> mixed-use building on a 2,880 m<sup>2</sup> site, comprising office space, housing and shops. The next stage will be to file a specific development plan or PAP (*Plan d'Aménagement Particulier*) in consultation with the local authorities.

No other significant event subsequent to 30 June 2017 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 2017 were prepared in conformity with IFRS standards and provide a true and fair view of the assets, of the financial situation and of the profits of ATENOR and of the enterprises included in the consolidation;<sup>1</sup>
- The six month financial 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 2017**

#### *Introduction*

We have reviewed the *condensed consolidated interim financial information* of ATENOR SA as of June 30, 2017, and for the period of six months ended on that date, which comprises 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 the international standard 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 the international standard 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 the international standard IAS 34 - *Interim Financial Reporting* as adopted by the European Union.

Brussels, August 30, 2017

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