

MANAGEMENT REPORT

to the Annual General Meeting of Shareholders on 22 April 2016

We have the honor of presenting to you the Management Report of your company's 105th financial year and of submitting for your approval the Annual Accounts as at 31 December 2015, along with our proposals for the allocation of profits.

The consolidated results for 2015 amount to 19.96 million euro, compared with 15.03 million euro in 2014.

TURNOVER, REVENUE FROM THE ORDINARY ACTIVITIES AND OPERATIONAL PROFIT (LOSS)

The **turnover** amounts to 107.88 million euro, stable compared to 2014. It mainly includes on the one hand, the income related to the sale of the apartments of the Port du Bon Dieu project in Namur (€20.61 M) and the Brasseries de Neudorf project in Luxembourg (€20.55 M) and on the other hand, the turnover generated on the Trebel project (€47.11 M). Revenues from the sale of apartments from the UP-site, Au Fil des Grands Prés and La Sucrerie projects (€11.26 M, €3.96 M and €3.48 M respectively) complement this turnover.

The **operating result** amounts to 34.08 million euro, influenced principally by the Trebel (€19.96 M) project's contribution, accounted for according to its degree of progress (89% against 50% in 2014) and by the sale of all the apartments of the Les Brasseries de Neudorf project (€6.36 M).

The sale of apartments in the Port du Bon Dieu project in Namur (€4.27 M), the sale of the AIR buildings (€4.56 M) in Luxembourg and Senior Island (City Docks project) in Anderlecht (€2.92 M), and the income related to the rental of the Hungarian (€2.66 M) and Romanian (€1.03 M) office buildings provide an additional contribution to the result. General expenses amount to 5.23 million euro.

The **net financial result** amounts to -6.01 million euro, compared with -6.87 million euro in 2014. The decrease of financial charges is due mainly to the significant drop in rates from which ATENOR has benefited despite the financial charges linked to the increase in net indebtedness over the course of 2015.

Income taxes: The amount of this item comes to 7.94 million euro (compared to €7.88 M in 2014). This item includes both the social tax and the deferred assets and liabilities tax linked to the evolution of the marketing of the aforementioned projects.

Taking the preceding factors into account, the **net result** of the financial year amounts to 19.96 million euro.

CONSOLIDATED BALANCE SHEET

The **consolidated shareholders' equity** amounts to 126.80 million euro compared with 112.90 million at 31 December 2014, an increase of 12.3%.

As at 31 December 2015, the group has a net consolidated indebtedness of 339.34 million euro, compared with a net consolidated indebtedness of 199.57 million euro as at 31 December 2014.

The consolidated indebtedness consists, on the one hand, of a long-term debt amounting to 190.29 million euro and on the other hand, of a short-term debt amounting to 172.21 million euro. The available cash amounts to 23.16 million euro compared to 67.24 million euro at end 2014.

The increase in the net indebtedness of the group (€+139.77 M) is mainly due to the financing of the works of all the projects in the portfolio of which 12 are in the building phase or are already sold and also to the financing of the acquisition of the Nysdam building (La Hulpe).

The "buildings held for sale" classified under "Stocks" represent the real estate projects in portfolio and in the course of development. This item amounts to 344.17 million euro, an increase of 73.09 million euro in comparison with 31 December 2014 (€271.08 M). This variation resulted primarily (a) from the continuation of the works of the Vaci Greens (Hungary), Hermes Business Campus (Romania), The One (Brussels) and Port du Bon Dieu (Namur) projects and the purchase of the Nysdam building in La Hulpe, making an overall contribution of 85.98 million euro and (b) from the sale of the apartments of the UP-site and Les Brasseries de Neudorf projects which reduces stock by 17.78 million euro. The balance of this entry is distributed over the other development projects.

OWN SHARES

During 2015, ATENOR s.a. acquired 22,330 own shares. 17,850 shares were then transferred to the beneficiaries of the share option plan (SOP's 2008 and 2011) bringing the number in its possession on 31 December 2015 down to 4,480.

The subsidiary Atenor Group Investments, which owned 157,142 ATENOR shares, opted for further shares during the payment of the dividend for fiscal year 2014, bringing the total number of ATENOR shares in its possession to 163,427.

PROJECTS IN OUR PORTFOLIO

Over the course of 2015, all the projects developed favorably. The diversification of revenue has its origin in the both geographical and functional diversification of the projects in the portfolio. Furthermore, the fact that the projects are at different stages of development provides a significant level of revenue visibility.

As a result of recent new acquisitions, the portfolio currently includes 15 projects under development with a total of approximately 660,000 m².

The marketing progress makes an annual contribution, while the planning developments are preparing the way for future revenue. We note that 12 projects out of 15 are in the building phase, which reflects an intense level of activity:

> TREBEL – European Quarter, rue Belliard, Brussels (29,766 m² of offices)

The works have continued with provisional acceptance scheduled for 22 June 2016. We remind you that the result is recorded as construction proceeds, account taken of the sale agreement with the European Parliament.

> THE ONE, BRUSSELS EUROPA - European Quarter, rue de la Loi, Brussels (29,000 m² of offices - 9,000 m² of residential)

The building works started in August 2015 with a delivery scheduled for autumn 2018. We remind you that an appeal to the Council of State was brought against the planning permit by well-known associations.

A number of expressions of interest have already been received for the apartments whose marketing started in early 2016.

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

Now that the environmental permit has been granted, the building permit for a complex of 152 homes and 1,500 m² of office space was delivered at end 2015. From the start of the redevelopment works started in late 2015, the project has received a number of expressions of interest, which should be confirmed during 2016.

> **CITY DOCKS – Canal area, quai de Biestebroek, Anderlecht (approx. 145,000 m² mixed)**

An initial building permit for the building of homes, floor areas for integrated business services and a rest home and assisted flats (39,500 m²), was obtained in August 2015. The building works will start in the second quarter of 2016.

With respect to the subsidiary that realizes the rest home, a transfer commitment was signed in December 2015 with an institutional investor; the marketing of the assisted flats and of the apartments will be launched in parallel to the start of works.

Also, studies for the second phase of the project, of a basically residential nature on the edge of the canal have started in collaboration with the regional and local authorities. They should lead to a subdivision permit application in the first semester of 2016. For this second phase, ATENOR was awarded, in August 2015, following a competition launched by citydev.brussels in the context of a public tender, a development contract concerning 16,393 m² of apartments, 12,471 m² of which will be subsidized housing.

Furthermore, the clean-up works that fall to the former tenant are currently being finished.

> **VICTOR – Midi area, in front of the South Station, Brussels (approximately 109,500 m² mixed)**

The master plan for the Midi district was approved in January 2016 on the second reading by the Government of the Brussels-Capital Region within the next few weeks. On the issuing authority's suggestion, ATENOR is studying the launch of an architecture competition integrating the latest parameters set out in the master plan. Following this competition, 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 program. In the meantime, preparatory site clean-up works started in late September.

> **UP-SITE – Canal area, quai des Péniches, Brussels (357 residential units, 29,689 m² of offices)**

The definitive acceptances have been granted for all the office blocks.

ATENOR executed the development of the docks at its own costs and made a financial contribution to the setting up of the restaurant, which will open in the first semester of 2016. These two developments complement and complete the mixed real estate complex that is the symbol of the renewal of an entire district, which ATENOR conceived back in 2010 and in which 300 apartments have already been sold. The marketing of the remaining apartments is continuing at a satisfactory pace.

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

From the conversations held with the local and regional authorities, a PCAR procedure has been adopted in order to ensure the harmonious development of this project in its local environment. The aim is to submit an initial permit application in 2016.

We remind you that the neighboring plot, formerly the "Seval" garage (1,074 m²), has since been integrated into the project and will increase its size accordingly while favoring the project's integration in the district.

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

On 29 October 2015, ATENOR acquired from BNP Paribas Fortis 100% of the shares of Hexaten s.a., owner of the Nysdam office building in La Hulpe. ATENOR intends, initially, to reposition this building on the office market. In the long term, in collaboration with the local authorities, ATENOR will examine its redevelopment alternatives with which the Bank will be financially associated. We remind you that ATENOR was at the origin of this development. This building has 15,600 m² and 408 parking spaces. It is 50% leased.

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

The provisional acceptances of all the apartments have been granted and the development of the approaches will be finished in the first quarter of 2016.

Nearly 75% of the units were sold in late 2015 for this real-estate complex that absorbs almost all the demands of this top of the range segment of the Namur market.

> **PORT DU BON DIEU – LOT 2 – Namur (purchase/sale of land – 7,600 m² of offices)**

We remind you that ATENOR sold the plot adjoining the residential project to CBC for the construction, for its own occupancy, of an office building of 7,600 m². The permit was obtained in September 2015 and the development agreement between CBC and ATENOR signed in November. Construction works started in January 2016 for a delivery scheduled for October 2017 at the latest.

> **AU FIL DES GRANDS PRÉS – "Les Grands Prés" shopping precinct district, Mons (approx. 70,000 m² mixed)**

The marketing by a consortium specializing in the sale and management of investment property and concerning the first 4 blocks of housing (134 in total) continued successfully during the course of the year. Indeed, the two first blocks, on which building work started in 2015, are entirely pre-sold and the third recorded its first purchase options. This pace of sale (agreed with the consortium) will complete the sale of the remaining homes by the end of 2017, with delivery of the fourth block scheduled for the following year.

The revisioning planning tool (PCA), encompassing the other parcels of the project and linking the commercial gallery to the new station was adopted. In the long term it will enable several hundred homes, local shops and offices to be built.

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

The construction of the first phase (two blocks – 39 units and 1 crèche) and its marketing continued in 2015 with 72% of the apartments sold at the end of December 2015. The delivery of the second phase (a block of 37 homes), works of which started last October, boasts a pre-sale rate of 20%. Delivery is scheduled for late 2016.

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

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

> **AIR - Quartier de la Cloche d'Or, Luxembourg (11,000 m² of office spaces)**

The demolition and reconstruction have continued for a delivery on 31 March 2016. We remind you that this BREEAM "Excellent" building was fully let to the company BDO, and sold in future state of completion to a group of institutional investors in October 2014. The result is booked as construction progresses.

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

We remind you that ATENOR signed a lease with Genpact for a fixed duration of 10 years. This company signed for 25,000 m² and in January 2017 will move into the third HBC building whose construction was started in May 2015.

With regard to building 2, the lease rate stands at nearly 60% in the run-up to its provisional acceptance scheduled for March 2016. Negotiations are in progress to bring this rate up to 80%.

We remind you that the first building of 18,000 m² delivered in March 2014 is fully let.

The outlook for the office leasing market remains favorable in this country with economic growth. Initial negotiations are in progress for the sale of these buildings, although it is not possible to specify the timing at this stage.

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

The second building of 20,000 m² was delivered in June 2015 and has been fully occupied by the General Electric (GE) group since 1 July 2015. Furthermore, a third building of 25,000 m², whose delivery occurred in March 2016 will be 60% occupied also by General Electric. Negotiations are in progress with several candidates for the lease of the rest of this third building.

Furthermore, we remind you that in June 2015 ATENOR acquired a neighboring plot with a total surface area of 8,364 m², which will enhance the campus' development and increase it by 40,000 m².

Negotiations are in progress for the sale of these first three buildings of the Vaci Greens development, which will be 6 in total. It is not possible at this stage to specify the timing of the planned transaction.

OTHER DEVELOPMENTS

The ongoing judicial procedure regarding liquidity companies ("société de liquidités"), in which in particular ATENOR and several of its management are involved, continued.

As ATENOR has stated since the beginning of these judicial 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 acknowledged in court.

To date, only the "E. Migeotte / Société Générale (France)" case has been subject to a judgment as to substance. At the end of a thorough analysis of the elements of the case, the Turnhout Criminal Court ruled on January 14, 2015. It acknowledged the good faith of ATENOR and its directors as well as the absence of any offence on their part and acquitted them. The public prosecutor however appealed against this judgment. The case will be reheard by the Anvers Appeal Court. The pleas will be heard in May 2016.

The cases "D-Facto – Cabepo" and "Erasmonde-American, Energy" will be heard by the Brussels Criminal Court in respectively March and September 2016.

FINANCIAL INSTRUMENTS

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

STOCK OPTION PLANS

On 23 February 2015, ATENOR issued a third tranche of the stock option plan (SOP 2015) for the subsidiary named Atenor Group Investments (AGI). The options issued on this subsidiary benefit ATENOR management, personnel and service providers.

This SOP 2015 will be exercisable during the three following periods from 12 March to 31 March 2018, from 11 March to 31 March 2019 and from 9 March to 31 March 2020.

On 4 March 2015, the Board of Directors, on the recommendation of the Remuneration Committee, distributed 1,059 Atenor Group Participations (AGP) shares in accordance with the remuneration policy described in the "Corporate Governance" section.

OTHER INFORMATION

The company does not have either a branch or any R&D activity.

APPLICATION OF THE INTERNATIONAL ACCOUNTING STANDARDS (IFRS)

The financial information of 2015 has now been agreed and presented in accordance with the IFRS standards as adopted in the European Union. The annual financial report has been made available to the shareholders. It forms an integral part of the present management report.

ALLOCATION OF PROFITS (CORPORATE RESULTS OF ATENOR s.a.)

ATENOR s.a.'s statutory annual accounts show a corporate profit for the tax year of € 6,313,559.64.

Apart from the operations reflected in the consolidated accounts, the 2015 profits/losses is primarily explained by the sales of long leases connected with the UP-site and Trebel projects, and of management of general and structural expenses as well as financial charges primarily related to bond issues.

Your Board proposes you to approve the annual accounts as at 31 December 2015 and allocate the corporate financial year's profit of ATENOR s.a. as follows:

Profit for the year	€ 6,313,559.64
Profit carried forward	€ 40,935,293.09
Profit to be allocated	€ 47,248,852.73
Directors' entitlements	€ 316,000.00
Legal reserve	€ 315,677.98
Capital remuneration	€ 11,262,152.00
Profit to be carried forward	€ 35,355,022.75

PROPOSED DIVIDEND

The Board of Directors will propose, to the General Assembly of 22 April 2016, the payment (for the financial year 2015) of a gross dividend of 2.00 euro per share, that is, a net dividend after withholding tax (27%) of 1.46 euro per security.

Subject to the approval of the Ordinary General Assembly, the dividend will be paid out as from 28 April 2016 (*).

- > Ex date 25 April 2016
- > Record date 26 April 2016
- > Payment date 28 April 2016

(*) with the exception of the own shares whose dividend right has been suspended

STATEMENT ON CORPORATE GOVERNANCE

Regarding the Corporate Governance Statement (including, among others, the remuneration report in compliance with Article 96§3 of the Companies Code), the description of systems of internal control, of the risk management and the other regulatory information aimed at in Article 34 of the Royal Decree of 14 November 2007), reference is made to the Corporate Governance Statement.

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

EVENTS AFTER THE CLOSING DATE

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.

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

No other important event occurring since 31 December 2015 must be noted.

PROSPECTS FOR THE FULL YEAR 2016

The 2016 results will be based, like the previous year, on sales made in 2013, 2014 and 2015 in a future state of completion of buildings and apartments, and the margins will be realized in line with the pace of project implementation. This will be the case for the Trebel, Port du Bon Dieu, AIR and City Docks office projects, and for the apartments that are part of the Port du Bon Dieu projects in Namur, Les Brasseries de Neudorf in Luxembourg, La Sucrierie in Ath and Au Fil des Grands Prés in Mons. In addition, the buildings leased in Budapest (Vaci Greens) and Bucharest (Hermes Business Campus) will provide rental income.

ATENOR will remain attentive, on the one hand, to seize the opportunity to acquire new projects meeting its criteria and, on the other hand, to take advantage of any opportunity to maximize value for the projects in portfolio.

In view of the conversations in progress regarding the transfer of certain assets whose timing it is impossible to specify at this point, ATENOR will communicate its forecasts for the current financial year at a later date.

PRINCIPAL RISKS AND UNCERTAINTIES

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

ATENOR is faced with the risks and uncertainties inherent in this activity and, in particular, the changes in international economic trends and the markets in which the buildings are constructed, and the changes in the bases of the financial markets, such as interest rates and the volume of funds intended for investment.

The Board of Directors is attentive to the analysis and management of the various risks and uncertainties to which ATENOR and its subsidiaries are subject.

Furthermore, the Board of Directors sets out three identified risks in the legal proceedings with which ATENOR is confronted:

> In the context of the tax dispute involving what are known as "Liquidity Companies", which could concern more than 700 companies in Belgium, major charges were brought against certain of the Group's former subsidiary companies. These companies had been sold, more than fifteen years ago, to investors introduced and recommended to ATENOR by intermediaries and banking institutions of repute.

It transpired that these investors might have embezzled the liquidities of the acquired companies and failed to fulfil their tax obligations by not proceeding with any reinvestment as announced.

These tax disputes, which do not relate to ATENOR directly, have given rise to criminal complaints or civil proceedings, mainly against the buyers and the intervening banks but also against ATENOR and certain members of its management.

Currently, ATENOR and some of its directors are involved in three ongoing proceedings. Each of these procedures has been in progress for a number of years and involves a great number of physical and legal persons, including ATENOR and some of its former or current directors. Only one of these procedures has resulted in a judgment to date, this being the total acquittal of ATENOR and its directors.

The "E. Migeotte / Société Générale (France)" case concerns a large number of companies acquired and immediately resold by the Belgian branch of Société Générale (France).

After a dismissal of the proceedings issued in February 2012 by the Council Chamber of Turnhout, the Antwerp Indictment Division issued a deferral decision in March 2013. The appeal made by a third party was rejected. The case was heard by the Turnhout criminal court on 3 and 4 December 2014. At the end of an in-depth analysis of the case, the Court ruled on 14 January 2015. It recognized the good faith of ATENOR and its directors and the absence of any infringement on their part and acquitted them.

The public prosecutor has, however, appealed this judgment, so that this case is currently submitted to the Antwerpen Appeal Court, which will hear it in April-May 2016.

The two other similar cases ("Erasmone - American Energy" and "D-Facto-Cabepo"), in progress for many years, should be heard before the Correctional Court of Brussels respectively in March and September 2016 respectively.

Furthermore, ING bank, whose responsibility in a similar case dating from 1998 was called into question by the tax authorities intends to involve ATENOR in this civil procedure.

In general, ATENOR, which fully and honestly cooperated in the investigations carried out by the legal and tax authorities, confirms that it has not committed any fraud either with regard to tax law or to company law, and is confident that its good faith will be acknowledged in all of the above mentioned cases.

> As regards the construction of the PIXEL building in Luxembourg, general contractors Soludec and CIT Blaton issued a summons against ATENOR for reimbursement of penalties for lateness for which ATENOR had obtained payment by calling on bank guarantees (0.54 million euro) and as payment for various other damages.

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

> 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. These two procedures are still ongoing before the Luxembourg District Court. 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.

ATENOR is of the opinion that the claims the Group is facing are unfounded and, consequently, no provision other than that incorporated in the PIXEL litigation has been made for dealing with these disputes.

ADMINISTRATION

- > Your Board proposes that discharge would be granted to the directors and to the auditor for the financial year closed on 31 December 2015.
- > On the proposal of the Appointments and Remuneration Committee, your board proposes that the mandates as director of LUXEMPART s.a. represented by Mr Jacquot Schwertzer and of Stéphan SONNEVILLE s.a. represented by Mr Stéphan Sonnevillle would be renewed for a period of three years. These mandates, which could be remunerated, will expire at the end of the Ordinary General Assembly of 26 April 2019.

La Hulpe, 3 March 2016
For the Board of Directors