

Management report

to the Annual General Meeting of Shareholders on 25 April 2014

Ladies and Gentlemen,

We have the honour of presenting you the Management Report of your company's 103rd financial year and of submitting for your approval the Annual Accounts as at 31 December 2013, along with our proposals for the allocation of profits.

The consolidated results for 2013 amount to 12.03 million euro, compared with 9.49 million euro in 2012.

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

The turnover amounts to 110.00 million euro. This turnover comes primarily from the sales of our three projects under development, namely, the Tower apartments and those of the Terrace-buildings of the UP-site project (€63.63 million), the Trebel project (€43.64 million euros) and the Port du Bon Dieu project (€2.49 million euros).

The operating result amounts to 23.84 million euro, primarily influenced by the transfer, during the first half of the year, to PMV of UP-site's office block B2 and the sale of the apartments of the Tower and of the Terrace-buildings; the Trebel project also contributed to the operational result on a proportional basis to the progress of work (38.48%) as well as the 22 first deeds and sale agreements signed in the context of the Port du Bon Dieu project; finally, the indemnities received within the framework of the City Docks project in Anderlecht provide an additional contribution to the operating result.

The net financial result amounts to -5.23 million euro, compared with -3.12 million euro in 2012. As in the first half of the year, the increase of financial charges is due to the integration of the interest charges for the bond issued in 2012 (maturing in 2017). The progress in the works of the UP-site project site for the buildings still to be delivered, the continuance of the Port du Bon Dieu project and the obtaining of permits for La Sucrerie (Ath) and Au Fil des Grands Prés (Mons) have led to the activation of the financial costs connected with these four projects for a total amount of 4.12 million euro.

Deferred taxes : In compliance with the IAS 12 and the situation of the fiscal losses of ATENOR, the UP-site and the Trebel projects resulted, when launched, in the recording of deferred tax assets. In 2013, the impact of the taking back these deferred taxes amounted to 2.83 million euro.

Taking the preceding factors into account, the net result of the financial year amounts to 12.03 million euro.

CONSOLIDATED BALANCE SHEET

The consolidated shareholders' equity amounts to 104.79 million euro compared with 98.74 million at 31 December 2012 and in 2013, represents 27.82% of the balance sheet total (compared with 25.98% in 2012).

As at 31 December 2013, the group has a net consolidated indebtedness of 174.93 million euro, compared with a net financial consolidated indebtedness of 131.85 million euro as at 31 December 2012. The net consolidated indebtedness consists, on the one hand, of the long-term debt amounting to 189.44 million euros and net cash amounting to 14.40 million euros.

As in 2012, during fiscal year 2013, the works connected with the already commercialized projects and with the projects under development were financed by the liquidities generated by the new sales described above. The liquidities available made it possible to reduce short term indebtedness by 16.51 million euros.

The "buildings held for sale" classified under "Stock" represent the real estate projects in portfolio and in the course of development. This item amounts to 261.27 million euro, an increase of 30.80 million euro in comparison with 31 December 2012. This increase is the result of the acquisition of the remainder of the Europa plot from Connectimmo and the initial asbestos removal work (12.59 million euros), the continuation of works for the Vaci Greens project (Hungary), Hermes Business Campus project (Romania), UP-site, Les Brasseries de Neudorf, the acquisition of the first phase of the Au Fil des Grands Prés (Mons) project and the remainder of the Port du Bon Dieu project, i.e. +49.31 million euro in total. The progress of the Trebel project and the remainder of the other projects under development reduce the stock by 18.51 million euros.

OWN SHARES

During 2013, ATENOR did not acquire any own shares.

ATENOR GROUP held 157,583 own shares acquired at an average price of 40.45 euro for a total amount of 6.37 million euro. On 5 August 2013, ATENOR GROUP transferred 150,000 shares to its subsidiary named ATENOR GROUP INVESTMENTS (AGI) (see Stock Option Plans – page 54).

At 31 December 2013, ATENOR GROUP s.a. therefore held 7,583 own shares.

PROJECTS IN OUR PORTFOLIO

The two basic trends underlying the markets in which ATENOR is present were further sustained this year: on the one hand, demographic growth, specifically in urban centres, is creating an increased need for new housing; on the other, the need to adapt to the changing requirements and constraints of the world of work is creating a demand for new, efficient office space.

The portfolio currently includes 12 projects under development with a total of approximately 600,000 m².

The favourable evolution of most of the projects in portfolio are testament of their good positioning in growth niches:

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

The UP-site project has made a significant contribution to the 2013 results.

The delivery of the B2 offices to PMV (leased to GO) took place successfully in August 2013. The commercial success of apartments has continued, pointing to the existence of a niche market for daring, avant-garde positioning. The rapid commercialization of the Terrace-buildings next to the tower, launched at the start of the year, has brought further confirmation of the renewal of this formerly abandoned district. To date, over 70% of the 357 apartments have been sold or reserved.

This emblematic tower stands out in the Brussels landscape, increasing its attractiveness, giving the city a dynamic and positive image and providing ATENOR with a reference.

TREBEL – European Quarter, rue Belliard, Brussels

It is a 29,766 m² offices building that meets the most stringent environmental efficiency and occupancy requirements. Construction began in April 2013 following the granting of building and environmental permits and is expected to continue until 2016; the result is recorded as construction proceeds, account taken of the preliminary sales agreement with the European Parliament. This project is the second contributor to the 2013 results.

BRUSSELS EUROPA – European Quarter, rue de la Loi, Brussels (29,000 m² of offices, residential units to be defined)

The building permit application, filed in December 2012 for a mixed project of 44,000 m² is ongoing. In particular, the impact study support committee finished its work in February. At the same time, the Brussels Capital Regional Government adopted the RRUZ (Regional Zoned Planned Regulation) covering the area which the Brussels Europa project is in. On the basis on the one hand of the conclusions of the impact study and the RRUZ prescriptions on the other, ATENOR decided to file an amended application in order to fall within this new regulatory framework. The project will be reviewed downwards (29,000 m² of office space) and will comprise a larger number of residential units (to be determined). A demolition permit has already been filed. The permits are expected to be granted during the second half of 2014, at which point construction should be able to begin.

VICTOR – opposite the South Station, Brussels (in the region of 100,000 m² mixed)

The permitting procedure was put on hold while awaiting the completion of the Midi district master plan. This work carried out within the framework of constructive dialogue involving all parties is reaching its conclusion. This indicates that, at this stage, the Victor project could be amended in such a way as to bring together all parties concerned. The schedule and parameters for its development should be established in the coming weeks.

CITY DOCKS – Canal area, quai de Biestebroek, Anderlecht (of the order of 165,000 m² mixed)

The new PRAS (Regional Land Assignment Plan) has been approved by the Brussels-Capital Regional Government. As announced it provides for a "Zému" (Area for Enterprises in the Urban Environment) at the Quai de Biestebroek, including the City Docks plot. Furthermore, the entire Canal area has been part of a group discussion conducted by the Region under the name "Plan Canal". We intend to submit an initial building permit application in the coming weeks for the construction of residential units, offices and a nursery home, which are entirely consistent with the new PRAS and the Plan Canal recommendations.

The objective being to offer middle class residential units, this project is a response to the most obvious demand on the Brussels housing market.

PORT DU BON DIEU – Namur (140 residential units)

Construction works on this new residential area at the entry to the city continue. Commercialization of the first block of 46 apartments began in January 2013 and the presales rate of 40% confirms the market's interest in this unique project in Namur.

AU FIL DES GRANDS PRÉS – "Les Grands Prés" shopping precinct district, Mons (of the order of 70,000 m² mixed)

We have obtained a building permit for the construction of a block of 78 residential units within the framework of the existing PCA (Municipal Town Planning) and within this same framework, submitted an application for a building permit for four other blocks of residential units which amounts to a total of 134 residential units. A reviewed PCA is currently under discussion between the municipality and the regional authorities on the basis of which, the rest of the development may be foreseen.

LA SUCRERIE – Ath (178 residential units)

A single application for a building permit for the development of 20,000 m², mainly of residential units was submitted in January 2014. The construction and commercialization of the two first residential blocks is expected to begin as soon as the permit is granted (expected during the first half of this year).

LES BRASSERIES DE NEUDORF – Luxembourg (87 residential units)

There has been an administrative delay with the PAP (Special Planning Permission) to be concluded with the City of Luxembourg, delaying the issuance of the permit. This is expected to be granted in coming weeks without impact on the development schedule. Construction work is expected to begin in the first half of this year with a currently exceptional pre-sales rate of 60%.

AIR – Quartier de la Cloche d'Or, Luxembourg (9,785 m² of offices)

By way of a reminder, in July 2013, ATENOR reached an agreement for the purchase of the ING head office in Luxembourg. At the same time, ATENOR signed a 12-year lease with financial services firm BDO for the entire building after reconstruction and extension. The building permit application was submitted and works are expected to begin during the first half of this year.

HERMES BUSINESS CAMPUS – Boulevard D. Pompeiu, Bucarest (73,180 m² of offices)

Delivery of the first phase of 18,000m² is set for the start of March 2014. During 2013, we have been forced to change General Contractor following the bankruptcy of the Austrian group appointed. This has had only a minor impact on the development, with three months additional delay. To date, the pre-leasing rate has reached 35% in an active local market in which this project benefits from good positioning in terms of the quality-price ratio as well as its location.

VACI GREENS – Vaci Corridor, Budapest (87,138m²)

The first building (A - 17,362 m²) was delivered in November 2013. As expected, this building has received great interest on the local rental market, being the only one in its category to be delivered in 2013. It has been fully leased by a number of renowned companies, including GE group which occupies several floors, since January 2014. Construction of a second office block has begun and contacts are under way with a view to pre-leasing.

SOUTH CITY HOTEL – South Station, Brussels

The hotel's activity under the PARK INN brand produced a good operating result during 2013. Given the slowing of the investors' market for this type of asset, despite its quality, ATENOR, in association with its partners, is examining the most appropriate commercial approaches with a view to the sale of the company holding the hotel.

OTHER DEVELOPMENTS

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

A first session of the courthouse has been set for 30 April 2014 within the framework of the "E. Migeotte / Société Générale (France)" case.

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 acknowledged in court.

FINANCIAL INSTRUMENTS

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

STOCK OPTION PLANS

On 5 August 2013, ATENOR GROUP issued an option plan (SOP 2013) of a subsidiary, ATENOR GROUP INVESTMENTS (AGI).

This subsidiary acquired 150,000 own shares from ATENOR GROUP at an average price of 31.90 euro (weighted average of the 3 months prior to the acquisition), constituting its sole assets.

The options on this subsidiary are issued for ATENOR GROUP Management, staff and service providers.

A first tranche of 30,060 options on AGI shares has been accepted and materialises this SOP 2013.

It will be exercisable during the three following periods from 14 March to 1 April 2016, from 13 March to 31 March 2017 and from 12 March to 30 March 2018 at the unit price of € 6.00.

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 2013 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 GROUP S.A.)

ATENOR GROUP s.a.'s statutory annual accounts show a net profit for the tax year of 7,996,987.50 euro.

Apart from the operations reflected in the consolidated accounts, the 2013 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 our two bond issues.

Your Board proposes you to approve the annual accounts as at 31 December 2013 and allocate the corporate financial year's profit of

ATENOR GROUP s.a. as follows:

Profit for the year	€ 7 996 987.50
Profit carried forward	€ 42 435 828.78
Profit to be allocated	€ 50 432 816.28

Directors' entitlements	€ 225 000.00
Legal reserve	€ 399 849.38
Capital remuneration(*)	€ 10 488 670.00
Profit to be carried forward	€ 39 319 296.90

(*) suspension of the entitlement to dividend on own shares (7.583) subject to the approval of the General Meeting

PROPOSED DIVIDEND

The Board of Directors will propose, to the General Assembly of 25 April 2014, the payment (for the financial year 2013) of a gross dividend of 2.00 euro per share, that is, a net dividend after withholding tax (25%) of 1.50 euro per share and, for the second consecutive year, in the form of an optional dividend.

Similar to last year, the reference shareholders have already indicated that they would opt for the optional dividend.

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 page 38.

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 February 2014, ATENOR GROUP issued a second tranche of the stock option plan (SOP 2013) for the subsidiary named ATENOR GROUP INVESTMENTS (AGI).

The options issued on this subsidiary benefit ATENOR GROUP management, personnel and service providers.

This SOP may be exercised during the three periods following 13 March to 31 March 2017, from 12 March to 31 March 2018 and from 11 March to 31 March 2019.

No other significant event occurring since 31 December 2013 is to be noted.

PROSPECTS FOR THE YEAR 2014

Most of the projects in our portfolio have evolved notably in 2013. A number of building permits (obtained or applied for) and various phases of construction or planned construction clearly reflect this global evolution. Specific progress in terms of commercialization for both office and residential projects provide not only a good visibility concerning the results for 2014 and subsequent years, but also demonstrate diversity not achieved before in the sources of results.

However, the real estate market, both residential and office, remains tied to the development of the economic climate.

In these general conditions of low economic growth in Europe, ATENOR is remaining cautious in its forecasts and is not expressing an opinion on the future schedule of results nor the level of profitability expected.

MAIN RISKS AND UNCERTAINTIES

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

ATENOR GROUP is faced with the risks and uncertainties inherent with 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 financial markets fundamentals, 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 GROUP and its subsidiaries are subject.

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

- 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 some of the Group's former subsidiaries. These companies had been sold, more than thirteen years ago, to investors introduced and recommended to ATENOR GROUP by intermediaries and renowned banking institutions.

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 GROUP 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 GROUP and some of its directors are involved in three ongoing proceedings.

Within the scope of the ongoing legal procedure regarding "Erasmonde – American Energy", the court of appeal is expected to announce a decision soon on the appeals made against a decision made in October 2013 against 13 companies and people including ATENOR GROUP and Stéphan Sonnevill, ATENOR GROUP's Managing Director.

Within the scope of the "E. Migeotte / Société Générale (France) case," after a non suit announced in February 2012 by the Council Chamber of Turnhout, the Indictment Division of Antwerp took a decision to refer in March 2013. The appeal made by a third party was rejected. An initial session of the Correctional Court was set for 30 April 2014.

Finally, the "D-Facto – Cabepo" case is currently pending before the Court of Appeals of Brussels; the matter is set for the first submissions in April 2014.

In addition, ING bank, whose responsibility in a similar case was called into question by the tax authorities intends to involve ATENOR GROUP in this civil procedure.

In general, ATENOR GROUP, 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 PIXEL building in Luxembourg, general contractors Soludec and CIT Bleton 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 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 GROUP, appealed this ruling and set aside provisions in the 2012 in the amount of 0.37 million euro. The procedure is still pending on appeal.

- A dispute opposes Atenor Group Luxembourg to the consortium of the contractors Soludec, CIT Bleton and Van Laere, to whom the construction of the PRESIDENT building was entrusted. ATENOR is asking for the application of contractual delay penalties, while the contractors are claiming various damages. These procedures are still ongoing before the Luxembourg District Court. The legal expert appointed in July 2010 submitted his report in 2013. Atenor Group Luxembourg has called upon the bank guarantees set up for its benefit. It obtained payment in the amount of 5.00 million euro by 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 GROUP is of the opinion that the claims the Group is facing are unfounded and, consequently, no provision has been made regarding these disputes.

ADMINISTRATION

- Your Board proposes that discharge would be granted to the directors and to the auditor for the financial year ended on 31 December 2013.

- On the proposal of the Appointments and Remuneration Committee, your board proposes that the mandate as director of SOGESTRA sprl represented by Nadine Lemaître would be renewed for a period of three years. This mandate, which could be remunerated, will expire at the end of the Ordinary General Assembly of 2017.

La Hulpe, 28 February 2014

For the Board of Directors.