HALF YEAR FINANCIAL REPORT 2018

La Hulpe, 30 August 2018

A. Interim Management Report

The first half of 2018 closed with a consolidated net profit (group share) of 5.64 million Euro compared to a result of 16.75 million Euro for the first half of 2017. The difference against the first half of 2017 is easily explained by the realization of major disposals in the first half of 2017, while we foresee such disposals in the second half of 2018.

In the first half of 2018, it is mainly margins generated on pre-sold projects, both office and residential, both in Western Europe and in Central Europe that generated this result. The lease revenues of the HBC (Bucharest), Nysdam (La Hulpe) and UBC (Warsaw) buildings have also brought a significative 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

Results	***30.06.2018***	***30.06.2017***
Net consolidated result (group share)	5,638	16,749
Profit per share (in Euro)	1.00	2.97
Number of shares	5,631,076	5,631,076
of which own shares	191,813	172,927
Balance sheet	***30.06.2018***	***31.12.2017***
Total assets	657,547	593,180
Cash position at the end of the period	64,693	43,296
Net indebtedness (-)	-387,106	-333,835
Total of consolidated equity	141,367	149,640

Revenue from ordinary activities and consolidated result

The revenues from ordinary activities as at 30 June 2018 amounted to 45.68 million Euro. They mainly consist of (a) the residual revenue realised on the sale of the D building of the Vaci Greens project in Budapest (€ 9.97 M), (b) revenues from the sale of apartments in residential projects: The One (Brussels; € 8.46 M), City Dox (Anderlecht; € 6.95 M), UP-site (Brussels;€ 5.09 M), Au Fil des Grands Prés (Mons; € 4.78 M) as well as (c) lease revenues on the Hermes Business Campus buildings in Bucharest (€ 4.92 M).

The other operating revenue (€ 5.59 M) mainly includes the reinvoicing of service charges and miscellaneous costs of the leased buildings (€ 2.76 M) as well as the remaining capital gain made from the sale of the Senior Island subsidiary (City Dox project) following the delivery of the elderly home (€ 2.74 M).

The **operating result** amounts to 11.25 million Euro. It is mainly influenced by the sale of building D of the Vaci Greens project (Budapest; € 2.72 M), the sale of apartments of the various residential projects, mainly Au Fil des Grands Prés (Mons), City Dox (Anderlecht), Palatium (Brussels), and The One (Brussels) for respectively € 1.25 M, € 1.07 M, € 0.84 M, and € 0.44 M.
The rental revenue net of charges of the HBC (Bucharest; € 4.20 M) and Nysdam (La Hulpe ; € 0.44 M) buildings as well as the sale of Senior Island in Anderlecht (City Dox project; € 2.74 M) bring an additional contribution to the result.

The **net financial result** amounts to -3.97 million Euro compared with -4.93 million Euro for the first half of 2017. The decrease of net financial charges over the first half year is mainly due to a more favourable weighted average interest rate (2.43% vs. 3.18%), coupled with a rise in capitalizations (IAS 23 – € +0.22 M compared to 2017), relating to the developments in progress.

Taxes amounted to 1.59 million Euro on 30 June 2018 and are mainly composed of current tax and deferred tax liabilities relating mainly to the City Dox (€ 0.43 M), Vaci Greens (€ 0.34 M) and The One (€ 0.30 M) projects.

The net result (group share) of the first half of the financial year amounts to 5.64 million Euro.

Consolidated balance sheet

The consolidated shareholders' equity amounts to 141.37 million Euro, which represents 21.5 % of the balance sheet total.
As at 30 June 2018, the Group has a net financial indebtedness of 387.11 million Euro (excluding cash) compared with a net financial indebtedness of 333.84 million Euro as at 31 December 2017.
The increase in net debt of the Group (€ +53.27 M) in comparison with 31 December 2017 is mainly due to the issue, last April, of the bond in two tranches (retail bond) of 50 million Euro. This successful operation demonstrated the confidence institutional and private investors have in ATENOR.
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 499.08 million Euro, a net increase of 55.11 million Euro in comparison with 31 December 2017. This change is mainly due to (a) acquisition of the UBC project (Warsaw; € 40.63 M), (b) of the remaining balance following the sale of the Vaci Greens D building (Budapest ;€ - 5.55 M), (c) the continuation of works and studies of The One office (Brussels), City Dox (Anderlecht), Bords de Seine (Bezons), Berges de l'Argentine (La Hulpe) projects representing in total 26.55 million Euro and (d) the apartment sales of the Palatium, Au Fil des Grands Prés, City Dox, The One and UP-site projects which have decreased the stock by 8.68 million Euro. The remaining balance of the net variation of this item (€ +2.16 M) is distributed over the other projects in development.

Projects in our Portfolio

In the course of the first half of the year, ATENOR continued the development of its 18 projects in portfolio representing approx. 800,000 m²
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:

- **BRUSSELS (37% of the portfolio)**

THE ONE - European Quarter, rue de la Loi, Brussels (31,000 m² of offices and 11,000 m² of residential)
The construction works are continuing with the target for provisional delivery at the end of 2018. This mixed housing-office tower is the first concrete achievement of the Plan Urbain Loi (PUL), a vast urban overhaul of the European Quarter conducted by the government of the Brussels Region.
On the commercial side, 73% of the apartments and the two ground-floor retail spaces have been sold (excluding reservations).
After the the signing of a first lease for 4,000 m² with Welkin&Meraki, (co-working centre), efforts and discussions are continuing in a competitive Brussels market.
To our knowledge the investigation of the appeal against the RZUPR at the Council of State is continuing, however without any damaging impact to be expected on The One.

REALEX [90% ATENOR] – European Quarter, between the rues de la Loi & de Lalaing, Brussels (minimum 54,000 m² of offices)
Realex responded to the call for projects launched by the European institutions for the acquisition of a conference centre of about 24,000 m² excluding ground. For the office area (± 30,000 m²) which completes this project, Realex has responded to a second call for projects launched by the European institutions, which concerns the lease of ±150,000 m² by 2020-2024.
A new application for building permit will therefore be submitted in the second half of the year in order to adapt the project to these requirements.

***CITY DOX** - Canal area, quai de Biestebroeck, Anderlecht (approx. 157,000 m² mixed)*

The delivery of the elderly home last 23 May enabled the subsidiary to be transferred to Federales Assurances and its operator Armonéa to open for business on 1 July. This opening fostered the sales process of the 71 service residence units (26% sold) delivered in June. The deliveries of the 93 residential units planned for the 4thquarter (60% of which have been sold) and of the 8,500 m² of integrated business services will complete the first phase of the City Dox project.

Furthermore, the subdivision permit for the second phase of the project, mainly residential, was delivered on 16 July, enabling us to submit the building permit application for the Lot 3 which includes 21,000 m² of residential units, 12,700 m² of them subsidised (citydev.brussels), 3,000 m² of production premises and 7,300 m² of integrated business services. The ongoing development will also include a school, public spaces and housing on the edge of the canal.

***VICTOR [50% ATENOR]** – opposite the South Station, Brussels (approximately 109,700 m² mixed)*

The studies to be carried out as part of the Midi Master Development Plan (MDP) were launched at the initiative of the Government of the Brussels Region. Our intention is to launch an international architecture competition for the residential part and to submit a building permit application or urban certificate for the entire project as soon as possible, expected before the end of 2018. The urban planning situation is therefore undergoing concrete changes.

- **WALLONIA (13% of the portfolio)**

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

Renovation works on the street-front offices (phase 1 – 4,000 m²) are continuing for delivery at the end of 2018. Discussions for letting/sales are in progress.

The second phase of the project (26,000 m² of housing), has been completely revised in order to meet the wishes expressed by the municipal council. A building permit application will be submitted as soon as possible.

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

The commercial repositioning of the building has been completed; following the last lease contract signings, it has an occupancy rate of 92 %.

***AU FIL DES GRANDS PRÉS** – "Les Grands Prés" shopping precinct district, Mons (approx. 75,000 m² mixed)*

The commercial success of this project has been remarkable considering that the first eight blocks of the first phase (268 homes – 25,500 m² sold in total) have all been (pre)sold! The first four have been delivered and the next four are under construction, with the deliveries spreading from September 2018 to mid-2020 for the last block.

Furthermore, the strategy for the permit application procedure relating to the other plots of the project (phase 2) has been reviewed following the rejection of the planning permit application last June by municipality council of Mons. An initial application for 14,000 m² of offices will be submitted in Autumn 2018. In the long term, the development of this second phase will include several hundred apartments, local retail areas and offices allowing to link the shopping gallery to the train station.

***LA SUCRERIE** – Ath (183 residential units, 5 retail units, 1 nursery - 20,000 m²)*

The first four blocks (91 apartments) have been delivered and the building of the 5th block (35 homes), started in December 2016, is continuing, with delivery scheduled for September 2018. To date, 67% of the 126 apartments have been sold. At the same time, the urban revitalisation works being executed alongside the project should be completed in September allowing us to complete the sale of the last units.

- **LUXEMBOURG (4% of the portfolio)**

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

The withdrawal of observations and other minor works executed by the genereal contractor are still in progress and should be finished this autumn. Discussions are continuing for the sale of the remaining 3 retail areas.

NAOS [55% ATENOR] *– Belval, Grand-Duchy of Luxembourg (offices and retail units – 14,000 m²)*
Construction work continued in accordance with the schedule for delivery planned for July 2019. Furthermore, letting rate has risen to 62% and steps are in progress relating to rent the remaining areas as well as the sales'process without it being possible at this stage to predict the timing of their outcome.

TWIST (EX LOT 46) *– Belval, Grand-Duchy of Luxembourg (offices, housing and retail units – 14,300 m²)*
This project concerns the development of a mixed building of 14,300 m² on 28.8 ares of land including offices, housing and retail units acquired after ATENOR won the competitive bid. Talks are underway with the local authorities for the submission of a detailed urban development plan (PAP) which should be obtained before the end of the year.

BUZZCITY (EX LEUDELANGE) *– Leudelange, Grand-Duchy of Luxembourg (office building – 16,800 m²)*
Via its Luxembourg subsidiary, ATENOR signed a pre-agreement last November for the acquisition of almost 1.3 hectares of land located in the "Am Bann" area of Leudelange This project, named "BuzzCity", concerns the development of a potentially phaseable office complex of some 16,800 m². The building permit has been submitted and it is expected to be obtained by September 2018, which will enable to finalize the acquisition deed and start the construction. The market is already showing its interest in this high growth area.

❖ **PARIS (5% of the portfolio)**

BORDS DE SEINE 1 [99% ATENOR] *– Bezons (Paris) – (34,800 m² of offices)*
Following the issue of the new permit allowing 34,800 m² in February, the call for bids process is coming to an end, the intention being to start the construction in October in a highly active Péri-Défense market.

❖ **WARSAW (7% of the portfolio)**

UNIVERSITY BUSINESS CENTER *– Mokotow quarter of Warsaw, Poland – (59.000 m² of offices)*
ATENOR, through its new Polish subsidiary, completed on 1 June the acquisition of long term lease rights on two office buildings of 30,500 m² offering an annual rental income of approximately three million Euro. These offices located in the very active Mokotow quarter of Warsaw will undergo redevelopment in two phases, the first being the demolition and reconstruction of UBC 1, the smallest and oldest of the two buildings.

❖ **BUDAPEST (17% of the portfolio)**

VACI GREENS *– Vaci Corridor, Budapest (block D: 17,500 m² and blocks E and F: 55,000 m² of offices)*
The Vaci Greens D building sold in October 2017 on future completion and delivered in January 2018 has had its last vacant spaces filled by big names like Ford and General Electric, thereby reducing the rental guarantee given to the buyer. The final fit-out works are in progress.
The building permit for the last blocks (E and F) of the campus (55,000 m²) will be implemented shortly, with a delivery of the first building expected in March 2020.

ARENA BUSINESS CAMPUS (ABC, EX HUNGARIA 30) *– Boulevard Hungària, Budapest (80,000 m² of offices)*
The building permit for the entire project (4 blocks) has been issued this month allowing the construction works of the first block (A – 23,500 m²) to start in September.
In general, the economic outlook remains favourable and continues to have a positive influence on the office rental and investment market.

❖ **BUCHAREST (17 % of the portfolio)**

HERMES BUSINESS CAMPUS *– Boulevard D. Pompeiu, Bucharest (75,000 m² of offices)*
To date, the three buildings are fully leased
Steps are still in progress to sell these buildings in an increasingly active investment market without it being possible at this stage to predict the timing of their outcome.

DACIA ONE *– Intersection of Calea Victoria and Boulevard Dacia, CBD, Bucharest (15,800 m² of offices)*
A first permit for the renovation of the listed building has been obtained and the renovation work is in progress. A double application for building permit covering the entire project (old and new parts) has been submitted as part of a UZDP (Urban Zone Development Plan) and should be obtained in the following weeks.

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

***@Expo** – Avenue Expozitiei, Bucharest (46,900 m² of offices)*
This site will enable the development of an office complex of some 46,900 m², demonstrating yet again ATENOR's determination to pursue innovative property projects in a buoyant Romanian property market. A first building permit will be submitted in autumn 2018 for a start of works in early 2019.

Other information

- On the proposal of the Nomination and Remuneration Committee, the Board of Administration appointed Weatherlight SA, represented by Mr Sven Lemmes as Executive Officer. This appointment is effective as of 22 May 2018.

As a reminder:

- In March 2018, ATENOR made a call on public savings, issuing a Retail Bond distributed into two tranches, one of a duration of 4 years and another of 6 years for a total of € 50 million. This operation, a first in the real estate development sector, was a great success because it was subscribed nearly 3 times over in a few hours. The proceeds of this issue strengthened the permanent capital of the group on which the development of the activities is based.
- In April 2018, Sofinim sold its 10.53% shareholding held in ATENOR since 1997 to a new company called ForAtenor SA. The shareholding of this new company consists of the 3D, Luxempart, Alva and Stéphan Sonneville groups, as well as members of the ATENOR executive committee. The transaction has been conducted at a price of € 45 per share.
  ForAtenoR SA ratified the existing shareholder agreement dated 30th November 2016.

Principal risks and uncertainties

The Board of Directors is watchful of the analysis and management of the various risks and uncertainties to which ATENOR and its subsidiaries are confronted with.
There is also one litigation ATENOR continues to face; this situation has not changed at all since the last publications:
We remind you that the company Com.Realty (Michel Pilette) claims a commission on the sale of the TREBEL project signed with the European Parliament following the public call for projects. By a decision handed down on 28 November 2016, the Commercial Court dismissed all of this company's claims against ATENOR. Com.Realty has, however, appealed the decision and the proceedings are still pending on appeal. ATENOR considers these claims to be unfounded (as confirmed by the decision at first instance) and, accordingly, has not posted any provision in this respect. The hearings will be held in early 2019.

Own shares

On 31 December 2017, ATENOR s.a. held 35,195 own shares.
Following various transactions over the first half of the year, ATENOR s.a. held on 30 June 2018, 28,386 own shares. 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 ATENOR share and the cash position.
The ATENOR GROUP INVESTMENTS subsidiary owns 163,427 ATENOR shares which are intended to increase the value of the option plans (2015 to 2018) awarded to ATENOR employees and service providers.

Perspectives for the end of the 2018 financial year

Real-estate markets in Europe are seeing positive development, driven by the return to growth.
As a major player in several markets, ATENOR should benefit from their positive development.
ATENOR's results will be supported, like the previous year, by the sales of the residential projects in Brussels and in the provinces.
Several major transactions are in progress although it is not possible to specify the calendar for their actual realization at this stage.
Furthermore, the second half of 2018 will be marked by the implementation (permit applications and

start of construction) of several major projects in the portfolio.
Lastly, new investments may be considered as part of the ongoing buy-develop-sell process applied to projects corresponding to our strategy and to our international positioning.
ATENOR will specify during the second half of the year, according to the evolution of the portfolio, the forecast results of the exercise, which appear to be at this stage comparable to the 2017 results.

Dividend policy

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

Financial calendar

- Intermediate declaration for third quarter 2018	15 November 2018
- Publication of the annual results for 2018	4 March 2019
- Annual General Meeting 2018	26 April 2019
- Intermediate declaration for first quarter 2019	14 May 2019

Contact and Information

For more detailed information, please contact Stéphan Sonneville s.a., CEO represented by Mr Stéphan Sonneville or Mr Sidney D. Bens, CFO.

+32-2-387.22.99 - +32-2-387.23.16 - e-mail: info@atenor.be - www.atenor.be

B. Summary Financial Statements

Consolidated statement of comprehensive income

	Notes	30.06.2018	30.06.2017
		In thousands of EUR	
Operating revenue		**45.678**	**144.181**
Turnover		39.811	138.582
Property rental income		5.867	5.599
Other operating income		**5.589**	**3.691**
Gain (loss) on disposals of financial assets		2.737	914
Other operating income		2.853	2.705
Gain (loss) on disposals of non-financial assets		-1	72
Operating expenses (-)		**-40.019**	**-122.801**
Raw materials and consumables used (-)		-75.089	-60.661
Changes in inventories of finished goods and work in progress		62.743	-36.848
Employee expenses (-)		-1.180	-1.322
Depreciation and amortization (-)		-96	-172
Impairments (-)		1.483	539
Other operating expenses (-)		-27.880	-24.337
RESULT FROM OPERATING ACTIVITIES - EBIT		***11.248***	***25.071***
Financial expenses (-)		**-4.059**	**-5.767**
Financial income		**91**	**833**
Share of profit (loss) from investments consolidated by the equity method		**-117**	**-115**
PROFIT (LOSS) BEFORE TAX		***7.163***	***20.022***
Income tax expense (income) (-)	**7**	**-1.593**	**-3.326**
PROFIT (LOSS) AFTER TAX		***5.570***	***16.696***
Post-tax profit (loss) of discontinued operations		**0**	**0**
PROFIT (LOSS) OF THE PERIOD		*5.570*	*16.696*
Non controlling interests		-68	-53
Group profit (loss)		***5.638***	***16.749***

EARNINGS PER SHARE	EUR	
	30.06.2018	**30.06.2017**
Total number of issued shares	**5.631.076**	**5.631.076**
of which own shares	**191.813**	**172.927**
Weighted average number of shares (excluding own shares)	**5.439.269**	**5.457.339**
Basic earnings	**1,04**	**3,07**
Diluted earnings per share	**1,04**	**3,07**

Other elements of the overall profit and losses	In thousands of EUR	
	30.06.2018	**30.06.2017**
Group share result	***5.638***	***16.749***
Items not to be reclassified to profit or loss in subsequent periods :		
Employee benefits		
Items to be reclassified to profit or loss in subsequent periods :		
Translation adjusments	-1.894	2.800
Tax	-244	
Overall total results of the group	***3.500***	***19.549***
Overall profits and losses of the period attributable to third parties	***-68***	***-53***

B. Summary Financial Statements (continued)

Consolidated statement of the financial position

ASSETS

In thousands of EUR

	Notes	30.06.2018	31.12.2017
NON-CURRENT ASSETS		**40.741**	**43.806**
Property, plant and equipment		335	287
Intangible assets		221	327
of which goodwill		*93*	*173*
Investments consolidated by the equity method		20.366	20.123
Deferred tax assets		6.177	5.404
Other non-current financial assets		11.482	12.745
Non-current trade and other receivables		2.160	4.920
CURRENT ASSETS		**616.806**	**549.374**
Inventories	9	499.083	443.973
Other current financial assets	4	17.339	25.011
Current tax receivables (*)		870	1.176
Current trade and other receivables		42.680	51.125
Current loans payments		134	221
Cash and cash equivalents	4	52.388	23.121
Other current assets		4.312	4.747
TOTAL ASSETS		**657.547**	**593.180**

LIABILITIES AND EQUITY

	Notes	30.06.2018	31.12.2017
TOTAL EQUITY		**141.367**	**149.640**
Group shareholders' equity		**138.350**	**146.717**
Issued capital		57.631	57.631
Reserves		88.537	97.281
Treasury shares (-)		-7.818	-8.195
Non controlling interest		**3.017**	**2.923**
Non-current liabilities		**279.764**	**213.777**
Non-current interest bearing borrowings	5	264.621	198.682
Non-current provisions		5.976	6.718
Deferred tax liabilities		7.035	7.037
Non-current trade and other payables		776	0
Other non-current liabilities		880	864
Current liabilities		**236.416**	**229.763**
Current interest bearing debts	5	187.178	178.449
Current provisions		408	0
Current tax payables		6.786	4.930
Current trade and other payables		34.498	42.980
Other current liabilities		7.546	3.404
TOTAL EQUITY AND LIABILITIES		**657.547**	**593.180**

(*) The VAT debt obligation (€7.1 million on 31.12.2017) has been reclassified from the “Tax Receivable" heading to the"Current trade and other receivables" heading.

B. Summary Financial Statements (continued)

Consolidated cash flow statement (indirect method)

	Notes	30.06.2018	30.06.2017	31.12.2017
		In thousands of EUR		
Operating activities				
- Net result		5.638	16.749	22.179
- Result of non controlling interests		-68	-53	-117
- Result of Equity method Cies		117	115	466
- Net finance cost		3.453	4.285	7.798
- Income tax expense	7	1.794	4.038	10.054
- *Result for the year*		*10.934*	*25.134*	*40.380*
- Depreciations		96	172	269
- Impairment losses		-1.483	-539	567
- Translation adjustments		100	2.906	4.258
- Provisions		-270	3.549	4.410
- Deferred taxes	7	-200	-712	-7.574
- (Profit)/Loss on disposal of fixed assets		-2.787	-986	-1.839
- SOP / IAS 19		75	-330	-197
- *Adjustments for non cash items*		*-4.469*	*4.060*	*-106*
- Variation of inventories		-56.629	35.690	-14.090
- Variation of trade and other amounts receivables		5.035	9.711	7.314
- Variation of trade payables		-2.223	-2.501	3.890
- Variation of amounts payable regarding wage taxes		-332	-134	248
- Variation of other receivables and payables		-3.230	-24.915	-28.444
- *Net variation on working capital*		*-57.379*	*17.851*	*-31.082*
- Interests received		90	832	971
- Income tax (paid) received		150	-2.460	-9.829
Cash from operating activities (+/-)		**-50.674**	**45.417**	**334**
Investment activities				
- Acquisitions of intangible and tangible fixed assets		-119	-56	-165
- Acquisitions of financial investments		-6	0	
- New loans		-103	-3.555	-688
- *Subtotal of acquired investments*		*-228*	*-3.611*	*-853*
- Disposals of intangible and tangible fixed assets		15	71	81
- Disposals of financial investments		7.516		
- Reimbursement of loans		1.364	331	910
- *Subtotal of disinvestments*		*8.895*	*402*	*991*
Cash from investment activities (+/-)		**8.667**	**-3.209**	**138**
Financial activities				
- Increase in capital		0	300	300
- Decrease in capital		0	0	0
- Treasury shares		376	42	-1.124
- Proceeds from borrowings		91.422	6.723	45.815
- Repayment of borrowings		-16.514	-66.774	-119.209
- Interests paid		-762	-1.535	-9.615
- Dividends paid to company's shareholders	6	-11.317	-11.154	-11.154
- Directors' entitlements		-316	-316	-316
Cash from financial activities (+/-)		**62.889**	**-72.714**	**-95.303**
Net variation ot the period		**20.882**	**-30.506**	**-94.831**
- Cash and cash equivalent at the beginning of the year (*)		43.296	138.315	138.315
- Net variation in cash and cash equivalent		20.882	-30.506	-94.831
- Non cash variations (Cur. conversion, chge in scope, etc…)		515	68	-188
- Cash and cash equivalent at end of the year	4	64.693	107.877	43.296

(*) The cash at start of the period of the previous closings has been restated to reflect the value of the securities of the Beaulieu certificate, (€ 7.08 M) . The period's variations on this item are reflected in the variation of the other debt obligations and debts of the working capital.

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	Cumulative translation adjusments	Minority interests	Total Equity
2017									
Balance as of 01.01.2017	***57.631***	***-***	***(7.092)***	***102.163***	***-***	***(291)***	***(15.756)***	***2.740***	***139.395***
Profit/loss of the period	-	-	-	-	22.179	-	-	(117)	22.062
Other elements of the overall results	-	-	-	-	-	(140)	476	-	336
Total comprehensive income	***-***	***-***	***-***	***-***	***22.179***	***(140)***	***476***	***(117)***	***22.398***
Capital increase	-	-	-	-	-	-	-	-	-
Paid dividends	-	-	-	(11.154)	-	-	-	-	(11.154)
Own shares	-	-	(1.103)	-	-	-	-	-	(1.103)
Share based payment	-	-	-	(196)	-	-	-	-	(196)
Other	-	-	-	-	-		-	300	300
Balance as of 31.12.2017	***57.631***	***-***	***(8.195)***	***90.813***	***22.179***	***(431)***	***(15.280)***	***2.923***	***149.640***
First semester 2017									
Balance as of 01.01.2017	***57.631***	***-***	***(7.092)***	***102.163***	***-***	***(291)***	***(15.756)***	***2.923***	***139.578***
Profit/loss of the period	-	-	-	-	16.749	-	-	(53)	16.696
Other elements of the overall results	-	-	-	-	-	-	2.800	-	2.800
Total comprehensive income	***-***	***-***	***-***	***-***	***16.749***	***-***	***2.800***	***(53)***	***19.496***
Capital increase	-	-	-	-	-	-	-	-	-
Paid dividends	-	-	-	(11.154)	-	-	-	-	(11.154)
Own shares	-	-	80	-	-	-	-	-	80
Share based payment	-	-	-	(329)	-	-	-	-	(329)
Other	-	-	-	-	-	-	-	299	299
Balance as of 30.06.2017	***57.631***	***-***	***(7.012)***	***90.680***	***16.749***	***(291)***	***(12.956)***	***3.169***	***147.970***
First semester 2018									
Balance as of 01.01.2018	***57.631***	***-***	***(8.195)***	***112.992***	***-***	***(431)***	***(15.280)***	***2.923***	***149.640***
Change of method - IFRS 15				(1.001)					(1.001)
Adjusted opening balance	***57.631***	***-***	***(8.195)***	***111.991***	***-***	***(431)***	***(15.280)***	***2.923***	***148.639***
Profit/loss of the period	-	-	-	-	5.638	-	-	(68)	5.570
Other elements of the overall results	-	-	-	(244)	-	-	(1.894)	-	(2.138)
Total comprehensive income	***-***	***-***	***-***	***(244)***	***5.638***	***-***	***(1.894)***	***(68)***	***3.432***
Capital increase	-	-	-	-	-	-	-	-	-
Paid dividends	-	-	-	(11.317)	-	-	-	-	(11.317)
Own shares	-	-	377	-	-	-	-	-	377
Share based payment	-	-		74	-	-	-	-	74
Other	-	-	-		-	-	-	162	162
Balance as of 30.06.2018	***57.631***	***-***	***(7.818)***	***100.504***	***5.638***	***(431)***	***(17.174)***	***3.017***	***141.367***

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ON 30.06.22018

Note 1. Corporate information

The half-year consolidated financial statements of the Group on 30 June 2018 were adopted by the Board of Directors at 29 August 2018.

Note 2. Principal accounting methods

1. Basis for preparation

The consolidated accounts of 30 June 2018 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 2017.

2. Consolidation principles and significant accounting principles

The evaluation rules adopted for the preparation of the consolidated financial situation of 30 June 2018 were not modified compared to the rules followed for the preparation of the annual report of 31 December 2017 with the exception of the regulations, amendments or interpretations, of compulsory application for the financial periods opened after 1 January 2018.
The consolidated half-year financial statements were prepared in accordance with IFRS standards (*International Financial Reporting Standards*) as adopted in the European Union.

IFRS 15, *Revenue from Contracts with Customers*
This new standard, ratified by the European Union came into effect on 1 January 2018. It describes a single comprehensive framework that entities must use to recognise revenue from contracts with customers and in the case of ATENOR, where appropriate, with its investors.

It replaces the existing standards on revenue recognition, including "IAS 18 - Revenue" and "IAS 11 - Construction contracts" and related interpretations.
The European (ESMA) and Belgian (FSMA) regulators published in July 2016 their recommendations for the implementation and integration of this standard in the consolidated accounts.
The fundamental principle the IFRS poses is that ATENOR should recognise revenue in order to show when assets are provided to customers (buyers or investors in office buildings, apartments or in companies) and the amount of consideration that ATENOR expects to recognise in exchange for such disposals. This fundamental principle is presented as a five-step model:

1. Identify contracts with customers or investors;
2. Identify performance obligations in the contract;
3. Determine the transaction price;
4. Distribute the transaction price between the different performance obligations in the contract;
5. Recognise revenue when ATENOR fulfils (or as it progressively fulfils) a performance obligation.

ATENOR has been applying IFRS 15 since 1 January 2018 according to the simplified retrospective method. In application of this method, the comparative periods have not been restated and the impact relating to the change of the evaluation rule has been directly recorded in the opening equity (refer to the Consolidated state of equity variations). This impact stands at 1 million euros net of tax.
The table below details per item the IFRS 15 transition and the recognition in result in 2018 and 2019 linked to the change in method:

In thousands of EUR	Equity	Result recognition			
	01.01.2018	01.01-30.06.18	01.07-31.12.18	2019	Total
Turnover	-1.410	-1.427	3.060	-223	1.410
Cost price	-12	1.887	-2.104	229	12
Gross result	**-1.422**	**460**	**956**	**6**	**1.422**
Tax - 29.58%	421	-136	-283	-2	-421
Net impact	**-1.001**	**324**	**673**	**4**	**1.001**

The IFRS 15 transition concerns 3 residential projects segmented in the Western Europe sector (The One, City Dox and Au Fil des Grands Prés (blocks A & B)). In application of IFRS 15, the turnover (land proportion and constructions proportion) is recognised following the percentage of completion.

The application of standard IFRS 9 has no material impact on ATENOR's consolidated financial statements.

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 well upfront all potential operational risks well.

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

	In thousands of EUR		
	30.06.2018	**30.06.2017**	**31.12.2017**
CASH AND CASH EQUIVALENTS			
Short-term deposits	12.305	68.983	20.175
Bank balances	52.385	38.891	23.119
Cash at hand	3	3	2
Total cash and cash equivalents	**64.693**	**107.877**	**43.296**

Read table page 8

Note 5. Financial Liabilities

	In thousands of EUR		
	Current	**Non-current**	**TOTAL**
	Up to 1 year	**More than 1 year**	
MOVEMENTS ON FINANCIAL LIABILITIES			
On 31.12.2017	**178.449**	**198.682**	**377.131**
Movements of the period			
- New loans	16.310	74.750	**91.060**
- Reimbursement of loans	-16.353		**-16.353**
- Entries in the consolidation scope			
- Variations from foreign currency exchange	-2	-1	**-3**
- Short-term/long-term transfer	8.755	-8.755	
- Other	19	-55	**-36**
On 30.06.2018	**187.178**	**264.621**	**451.799**

Refer to the comment on page 2 on the consolidated balance and the reduction of the indebtedness.

In 2016, ATENOR issued, in the context of its new European Medium Term Notes (EMTN) programme, four bond tranches of respectively €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). In February 2018, ATENOR issued two new tranches of €2M (2.25% - maturity 2021) and €5M (3.50% - maturity 2025). All these bonds are quoted on Alternext Brussels.
As at 30 June 2018, their "fair value" is respectively € 29.85 M (99.51%), € 17.63 M (97.96%), € 29.62 M (98.72%), € 7.96 M (98.28%), € 2.002 M (100.10%) and € 5.13 M (102.50%).

Furthermore, in April 2018, ATENOR issued two retail-type bond tranches of € 30 M (3.50% - maturity 2024) and €20 M (2.875% - maturity 2022) respectively. These bonds are listed on Alternext Brussels. On 30 June 2018, their "fair values" stood at €30.92 M (103.06%) and €20.47 M (102.37%) 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 31.12.2019.

Note 6. Paid Dividends

	In thousands of EUR		
	30.06.2018	**30.06.2017**	**31.12.2017**
Dividends on ordinary shares declared and paid during the period: Final dividend for 2017 : € 2.08 Final dividend for 2016 : € 2.04	-11.317	-11.154	-11.154

ATENOR does not offer any interim dividend.

Note 7. Income taxes

	In thousands of EUR		
TAXES	**30.06.2018**	**30.06.2017**	**31.12.2017**
Income tax expense / Income - current			
Current period tax expense	-1.952	-4.116	-10.238
Adjustments to tax expense/income of prior periods	158	77	184
Total current tax expense, net	**-1.794**	**-4.039**	**-10.054**
Income tax expense / Income - Deferred			
Related to the current period	201	500	10.034
Related to tax losses		213	-2.460
Total deferred tax expense	**201**	**713**	**7.574**
Total current and deferred tax expense	**-1.593**	**-3.326**	**-2.480**

See table on page 7

Note 8. Segment reporting

In thousands of EUR	30.06.2018			30.06.2017		
	Western Europe	**Central Europe**	**Total**	**Western Europe**	**Central Europe**	**Total**
Operating revenue	**30.399**	**15.279**	**45.678**	**42.963**	**101.218**	**144.181**
Turnover	29.796	10.015	39.811	41.739	96.843	138.582
Property rental income	603	5.264	5.867	1.224	4.375	5.599
Other operating income	**3.998**	**1.591**	**5.589**	**1.312**	**2.379**	**3.691**
Gain (loss) on disposals of financial assets	2.737		2.737	914		914
Other operating income	1.262	1.591	2.853	326	2.379	2.705
Gain (loss) on disposals of non-financial assets	-1		-1	72		72
Operating expenses (-)	**-30.246**	**-9.773**	**-40.019**	**-42.506**	**-80.295**	**-122.801**
Raw materials and consumables used (-)	-31.891	-43.198	-75.089	-51.694	-8.967	-60.661
Changes in inventories of finished goods and work in p	16.039	46.704	62.743	22.657	-59.505	-36.848
Employee expenses (-)	-1.007	-173	-1.180	-1.186	-136	-1.322
Depreciation and amortization (-)	-92	-4	-96	-169	-3	-172
Impairments (-)	1.482	1	1.483	539		539
Other operating expenses (-)	-14.777	-13.103	-27.880	-12.653	-11.684	-24.337
RESULT FROM OPERATING ACTIVITIES - EBIT	**4.151**	**7.097**	**11.248**	**1.769**	**23.302**	**25.071**
Financial expenses (-)	**-3.575**	**-484**	**-4.059**	**-4.997**	**-770**	**-5.767**
Financial income	**90**	**1**	**91**	**832**	**1**	**833**
Share of profit (loss) from investments consolidated by the equity method	**-117**		**-117**	**-115**		**-115**
PROFIT (LOSS) BEFORE TAX	**549**	**6.614**	**7.163**	**-2.511**	**22.533**	**20.022**
Income tax expense (income) (-)	**-1.253**	**-340**	**-1.593**	**-2.412**	**-914**	**-3.326**
PROFIT (LOSS) AFTER TAX	**-704**	**6.274**	**5.570**	**-4.923**	**21.619**	**16.696**
Post-tax profit (loss) of discontinued operations						
PROFIT (LOSS) OF THE PERIOD	-704	6.274	5.570	-4.923	21.619	16.696
Intercompany elimination	343	-343	0	68	-68	0
CONSOLIDATED RESULT	**-361**	**5.931**	**5.570**	**-4.855**	**21.551**	**16.696**
Overall profits and losses of the period attributable to third parties	-68		-68	-53		-53
Group share result	**-293**	**5.931**	**5.638**	**-4.802**	**21.551**	**16.749**

Segment information is prepared, both for internal reporting and external disclosure, on a single sector of activity, i.e. real-estate development projects (office and residential buildings). This activity is presented, managed and monitored by project. The various project committees, the Executive Committee and the Board of Directors are responsible for monitoring the various projects and assessing their performances.
However, based on the location of the projects, two geographical segments are henceforth identifiable: on the one hand, Western Europe, covering Belgium, the Grand Duchy of Luxembourg and France and on the other hand, Central Europe, covering Hungary, Romania and Poland.
Both on 30 June 2018 and in the 1st half of 2017, the segmentation evidences the contribution to the results of the projects in Central Europe.
The ATENOR activity report provides more detailed information on the results and purchases and sales during the period reviewed.

In thousands of EUR	30.06.2018 Western Europe	30.06.2018 Central Europe	30.06.2018 Total	31.12.2017 Western Europe	31.12.2017 Central Europe	31.12.2017 Total
ASSETS						
NON-CURRENT ASSETS	**40.641**	**100**	**40.741**	**43.689**	**117**	**43.806**
Property, plant and equipment	314	21	335	271	16	287
Investment property						
Intangible assets	152	69	221	236	91	327
of which goodwill	24	69	93	82	90	172
Investments in related parties						
Investments consolidated by the equity method	20.366		20.366	20.123		20.123
Deferred tax assets	6.177		6.177	5.404		5.404
Other non-current financial assets	11.472	10	11.482	12.735	10	12.745
Derivatives						
Non-current trade and other receivables	2.160		2.160	4.920		4.920
Other non-current assets						
CURRENT ASSETS	**378.007**	**238.799**	**616.806**	**337.615**	**211.759**	**549.374**
Assets held for sale						
Inventories	296.566	202.517	499.083	279.419	164.554	443.973
Other current financial assets	17.339		17.339	25.011		25.011
Derivatives						
Current tax receivables	398	472	870	509	667	1.176
Current trade and other receivables	21.639	21.041	42.680	27.102	24.023	51.125
Current loans payments	21	113	134	108	113	221
Cash and cash equivalents	40.844	11.544	52.388	4.140	18.981	23.121
Other current assets	1.200	3.112	4.312	1.326	3.421	4.747
TOTAL ASSETS	**418.648**	**238.899**	**657.547**	**381.304**	**211.876**	**593.180**
LIABILITIES AND EQUITY						
TOTAL EQUITY	**107.245**	**34.122**	**141.367**	**120.089**	**29.551**	**149.640**
Group shareholders' equity	**104.228**	**34.122**	**138.350**	**117.166**	**29.551**	**146.717**
Issued capital	57.631		57.631	57.631		57.631
Reserves	54.415	34.122	88.537	67.730	29.551	97.281
Treasury shares (-)	-7.818		-7.818	-8.195		-8.195
Non controlling interest	**3.017**		3.017	**2.923**		2.923
Non-current liabilities	**247.923**	**31.841**	**279.764**	**179.264**	**34.513**	**213.777**
Non-current interest bearing borrowings	239.525	25.096	264.621	171.844	26.838	198.682
Non-current provisions	460	5.516	5.976	612	6.106	6.718
Pension obligation	476		476	476		476
Derivatives						
Deferred tax liabilities	6.686	349	7.035	6.332	705	7.037
Non-current trade and other payables	776		776			
Other non-current liabilities		880	880		864	864
Current liabilities	**63.480**	**172.936**	**236.416**	**81.951**	**147.812**	**229.763**
Current interest bearing debts	183.719	3.459	187.178	174.990	3.459	178.449
Current provisions	356	52	408			
Pension obligation						
Derivatives						
Deferred tax liabilities	5.641	1.145	6.786	4.927	3	4.930
Current trade and other payables	26.358	8.140	34.498	25.504	17.476	42.980
Other current liabilities	4.934	2.612	7.546	2.069	1.335	3.404
Intercompany elimination / not allocated	-157.528	157.528		-125.539	125.539	
TOTAL EQUITIES AND LIABILITIES	**418.648**	**238.899**	**657.547**	**381.304**	**211.876**	**593.180**

Note 9. Inventories

In thousands of EUR	30.06.2018	30.06.2017	31.12.2017
Buildings intended for sale, beginning balance	**443.973**	**429.209**	**429.209**
Activated costs	90.864	66.568	171.196
Disposals of the year	-35.616	-103.416	-157.535
IFRS 15 transition	-12		
Entry in the consolidation scope			
Exit from the consolidation scope			
Reclassifications from/to the "Inventories"	-495	2.071	
Borrowing costs (IAS 23)	1.381	1.158	2.899
Foreign currency exchange increase (decrease)	-2.388	117	-3.189
Write-offs (recorded)			
Write-offs (written back)	1.376	968	1.392
Movements during the year	**55.110**	**-32.534**	**14.763**
Buildings intended for sale, ending balance	**499.083**	**396.675**	**443.973**
Accounting value of inventories mortgaged (limited to granded loans)	134.506	103.351	124.744

Refer to the explanations on page 2.

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

On 12 March 2018, ATENOR issued a new share option tranche (SOP 2018) for the subsidiary named Atenor Group Investments (AGI). The options issued on this subsidiary benefit the members of the Executive Committee, personnel and service providers.
This SOP may be exercised during the three followings periods from 8 March to 31 March 2021, from 8 March to 31 March 2022 and from 8 to 31 March 2023 after each publication of the annual results.

On 12 March 2018, the Board of Directors, on the recommendation of the Remuneration Committee, distributed 940 Atenor Group Participation (AGP) shares in accordance with the remuneration policy described in the "Corporate Governance" section of our 2017 Annual Financial Report (page 68).

The Board of Directors decided to acquire 150,000 shares via a subsidiary to create in order to put in place a new stock option plan as from 2019.

Note 11. Related Parties

In thousands of EUR	Sums due to related parties	Sums due to the group from related parties
- IMMOANGE share of the group: 50%	-	373
- VICTOR ESTATES share of the group: 50%	-	4.932
- VICTOR PROPERTIES share of the group: 50%	-	264
- VICTOR BARA part de groupe: 50%	-	2.120
- VICTOR SPAAK part de groupe: 50%	-	3.764
- NAOS share of the group: 55%	-	-

Within the framework of the Victor mixed project, the (50/50) joint-venture with BPI has led 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 2018.

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 2018.

Note 13. Own shares

MOVEMENTS IN OWN SHARES	**Amount** (in thousands of €)	**Number of shares**
On 01.01.2018 (average price € 41.26 per share)	8.195	198.622
Movements during the period		
- acquisitions	1.324	28.623
- sales	-1.701	-35.432
On 30.06.2018 (average price € 40,76 per share)	**7.818**	**191.813**

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 share and the cash position.

Note 14. Events after the closing date

No significant event subsequent to 30 June 2018 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 2018 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;[1]
- 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).

[1] 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 2018

Introduction

We have reviewed the *condensed consolidated interim financial information* of ATENOR SA as of June 30, 2018, 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 29, 2018

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