



ALLFIN GROUP COMM.VA.

Reporting to holders of bonds 2013-2019

[ISIN Code : BE6254051731] :

Compliance with Financial Ratios at 30.06.2014

Introduction

Allfin is a property developer that specializes in the development of office buildings as well as residential, commercial and mixed-purpose premises in Belgium and Luxembourg.

The group has several residential and mixed-use projects in portfolio, and under review for future purchase in Belgium and Luxembourg.

Allfin remains active in the following market segments:

Residential: Apartments in excellently located areas with a unique selling point, such as the Brussels European Quarter, city centres, opposite parks, etc. Allfin develops also student housing, senior living housing and hotels to diversify its risk on large scale projects. It is attempted to exit these specific locations in the very early phases of development.

Offices: mostly as part of a larger-scale project or located in a unique location. Allfin always tries and often succeeds, to sell or let the offices in the very early phases of development.

Allfin's strategy for the present and for the future is to seek out profitable niches in which it is confident that demand will remain present.

Throughout 2014 Allfin secured the purchase of many new projects. The acquisition of the Belgacom-site at the Sablon in Brussels was a landmark achievement during this reporting period. This project relates to a residential development of approximately 35,000 m². The site is currently being leased back to Belgacom until 2019. Another major project consisted of the acquisition of 29.85% shares of Immobel mid September, as a result of which Allfin became reference shareholder in Immobel, allowing it to diversify and enlarge its portfolio of real estate projects. Other projects include Lakefront Duinenwater in Knokke, Vesalius in Leuven, Pulvermühle in Luxembourg, Bois Joli in Liège.

The consolidated financial statements are explained more in detail in the chapters below.

1. Financial information

The presented consolidated financial statements of the Issuer have been prepared in accordance with Belgian GAAP accounting principles and have been audited by VGD Auditors.

All subsidiaries in which the Issuer has a controlling interest are consolidated according to the principles of "Full Consolidation".

Subsidiaries with shared control are consolidated by using the principles of "Proportional Consolidation".

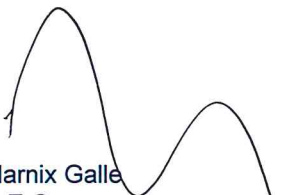
Minority interests are accounted by means of the "Equity Method".

Based on the consolidated financial statements, the Financial Ratios meet the requirements as imposed by article 8.9 Financial Ratios of the Placement Memorandum regarding the bond issue of June 2013.

The Financial Ratios are as follows:

- (a) The Equity of Allfin Group Comm.V.A.(EUR 88,558,137) is higher than the Financial Ratio (EUR 70,000,000).
- (b) The Consolidated equity of Allfin Group (EUR 119,663,244) is higher than the minimum target amount of EUR 100,000,000.
- (c) The debt ratio of Allfin Group (38,4%) is not exceeding 70%.

The Allfin Group did not face an Event of Default.



Marnix Galle
C.E.O.



Hilde De Valck
C.F.O.



VGD Bedrijfsrevisoren CVBA
Commissaris vertegenwoordigd door
Peter Bruggeman, Bedrijfsrevisor

2. Consolidated Financial Information

The presented key consolidated figures are included in the financial statements, which have been prepared in accordance with Belgian GAAP accounting principles and have been audited by VGD Auditors.

ASSETS	30/06/14	31/12/13
Fixed assets	11.284.838	16.159.386
Formation expenses	488.867	507.400
Intangible assets	27.386	31.321
Goodwill	148.687	297.375
Tangible assets	6.368.378	6.372.077
Financial fixed assets	4.251.520	8.951.212
Current assets	400.432.553	302.103.917
Amounts receivable after more than one year	26.530.635	22.785.802
Inventories, work in progress	274.843.387	207.898.839
Amounts receivable within one year		
- Trade debtors	40.238.512	5.341.978
- Other amounts receivable	6.570.214	6.555.066
Cash & bank	51.736.678	58.552.384
Deferred charges, accrued assets	513.126	969.848
TOTAL ASSETS	411.717.392	318.263.303

2. Consolidated Financial Information

LIABILITIES	30/06/14	31/12/13
Equity	119.663.244	110.186.339
Share capital	37.074.215	37.074.215
Reserves	73.064.478	64.892.162
Result current year	9.476.162	8.171.890
Cumulative translation adjustments	48.388	48.071
Third party interests	4.603.381	1.734.541
Provisions and deferred taxes	530.822	541.962
Creditors	286.919.945	205.800.462
Amounts payable after more than one year	147.802.825	94.521.043
- Bond	35.650.000	35.650.000
- Bank loan	112.147.345	58.865.803
- Other amounts payable	5.480	5.240
Amounts payable within one year	138.677.107	109.888.382
- Current portion of amounts payable + 1Y	38.496	76.992
- Trade debts	14.972.978	7.625.931
- Advances received	118.348.425	88.802.267
- Taxes, remuneration and social security	2.223.189	2.416.132
- Other amounts payable	3.094.019	10.967.061
Accrued charges, deferred income	440.013	1.391.036
TOTAL LIABILITIES	411.717.392	318.263.303

2. Consolidated Financial Information

PROFIT AND LOSS ACCOUNT	30/06/14	31/12/13
Total income	144.472.402	89.809.088
Sales	77.176.350	432.593
Increase stock and work in progress	66.945.877	78.835.731
Other operational income	350.175	9.129.779
Extra ordinary income	0	1.410.985
Cost of Sales	-120.169.067	-75.108.644
Direct cost of project	-120.169.067	-75.108.644
DIRECT MARGIN	24.303.335	14.700.444
Operating expenses	-2.957.772	-3.746.983
HR	-425.506	-601.174
Services and other goods	-2.409.500	-2.997.345
Other operating expenses	-122.766	-148.464
Extra ordinary expenses	-53.677	-28.351
EBITDA	21.291.886	10.925.111
Depreciation and amortisation	-318.224	-592.650
EBIT	20.973.662	10.332.461
Financial result	-8.681.936	-2.085.357
Intercompany		
Financial income	1.369.135	2.541.894
Financial expenses	-10.051.071	-4.627.251
EBT	12.291.726	8.247.105
Transfer from deferred taxes	-287.170	87.551
Result of Cies consolidated by the equity method		
Income tax	-686.754	-207.292
EAT	11.317.803	8.127.363
Third party interest	1.841.640	-44.527
Share of profit Allfin	9.476.162	8.171.890

3. Financial Ratios

Financial ratio's - bond issue	
The equity of the Issuer :	> 70.000.000 €
Event of default : in case of negative deviation of > 10%	
The consolidates equity of the Issuer :	> 100.000.000 €
Event of default : in case of negative deviation of > 10%	
Ratio of	
(1) Adjusted Net Financial Indebtedness	
to (2) Adjusted Net Financial Indebtedness plus consolidated equity	max 70%
Situation on 30/06/2014	
Equity Allfin Group	88,558,137
Consolidated equity Allfin Group	119,663,244
Debt ratio, based on Balance sheet 30 June 2014	38.4%

4. *The auditor's report*



To: Allfin Group Comm VA
For the attention of the Management
Koloniënsstraat 56
1000 Brussel

To: Bank Degroof
Nijverheidsstraat 44
1040 Brussel

Degroof Corporate Finance
Guimarstraat 18
1040 Brussel

For the attention of Mr. Patrick Moermans

Report of Factual Findings regarding the Financial Ratios stipulated in the Placement Memorandum of the bond issued by Allfin Group

Introduction

We have performed the procedures agreed with you and enumerated below with respect to the financial ratios calculated by the management of Allfin Group Comm VA on the consolidated financial statements as at June 30th, 2014, which show a balance sheet total of 411.717.392 EUR and a consolidated profit for the period of 11.317.802 EUR. Our engagement was undertaken in accordance with the International Standard on Related Services 4400, "Engagements to perform agreed-upon procedures regarding financial information". These procedures were performed solely to assist you in evaluating the validity of the Financial Ratios and are summarized as follows:

1. We have cross-checked the condensed financial information as at June 30th, 2014 for arithmetical accuracy with the consolidated financial statements as at December 30th, 2014, approved by the board of directors, which have been subjected to an audit by us and will be presented to the general assembly.
2. Furthermore, referring to the Terms and Conditions of the Bonds, moreover to article 8.10 b), in the Placement Memorandum of the Bond issued by Allfin Group Comm VA at June 26th, 2013, we have verified the financial ratios in the Certificate by:
 - a. verifying whether the financial information, used to calculate the financial ratios according article '8.9 Financial Ratios' within the Placement Memorandum and as set out in the Certificate, was accurately extracted from the consolidated financial statements as of June 30th, 2014 subject to our audit (cf. supra).
 - b. verifying whether the methodology used to calculate the financial ratios was consistent with the definitions and covenants as outlined in article '8.9 Financial Ratios' within the Placement Memorandum.

Audit Report according to ISRS 4400

On the financial ratios based on the (consolidated) financial statements of Allfin Group Comm VA as at 30 June 2014

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Conclusion

1. The arithmetical accuracy of the condensed financial information provided to you in comparison with the consolidated financial statements of Allfin Group Comm VA as at June 30th, 2014 shows no material deviations;
2. The procedures were performed solely to assist you in evaluating whether the financial ratios were properly calculated, in all material respects, and our findings are summarized below:
 - a. We found that the financial information used to calculate the financial ratios was accurately extracted from the consolidated financial statements as at June 30th, 2014, subject to our audit;
 - b. We found that the methodology used to calculate the financial ratios was consistent with the definitions and covenants as outlined in article '8.9 Financial Ratios' within the Placement Memorandum.

Very truly yours,

Brussels, September 30th, 2014,

VGD Bedrijfsrevisoren CVBA
Statutory auditor
Represented by, Peter Bruggeman
Certified auditor