Corporate Rating

CODIC Group (cons.) - Belgium

Status: April 10th, 2013

I. Executive Summary

Quantitative Analysis

2009/ 2010	BBB-quant.	2010/ 2011	BB-quant.	2011/ 2012	BBB-quant.

Quantitative Rating

BB+quant.

Qualitative Analysis

BBB quali.

CODIC Group (cons.)
Corporate Rating: BBB-NEGATIVE
Status: April 10th, 2013
This assessment is valid for 12 months.

BBB-NEGATIVE
appropriate creditworthiness
Corporate Rating

OUTLOOK (MONITORING RATING ACTIONS SCOPE RATINGS)	
RATING ACTION	**DESCRIPTION**
POSITIVE	Outlook: Upgrading tendency in current year
STABLE	Outlook: Stable development in the current year
NEGATIVE	Outlook: Tendency of degradation in the current year
NONE	Outlook: No tendency definable

OTHER RATING ACTIONS SCOPE RATINGS	
RATING ACTION	**DESCRIPTION**
NEW	New rating
REVIEW	Revision of ratings and outlooks
CANCELLED	Rating cancelled and withdrawal of the notation
ABORTED	Rating process had been aborted
SUSPENDED	Rating had been suspended

A. Summary

Scope Ratings has evaluated the financial stability of **Codic Group (cons.)** located in Brussels, Belgium (herein after referred to Codic Group, the group or the rating object). Based on the methodology for corporations, the rating assessment took quantitative and qualitative criteria into account to determine the rating notation. The quantitative rating is based on financial statements of the years 2009/2010 to 2011/2012, as per April 30th. For the qualitative criteria, the rating object has been evaluated by an onsite rating interview, documents and information provided by the rating object on request of the rating agency and public information regarding the group, its markets and its environment.

From the quantitative perspective, the rating results in a quantitative rating score of $BB+_{quant.}$. On the basis of the analysis of ratios generated out of a three-year assessment this section evaluates the three categories asset protection, profitability and debt coverage.

The ratios in asset protection are predominantly in the upper range of the evaluation scale. A characteristic for the business model is the high commitment in stocks. Therefore the ratio “stocks to revenue” lies here compared to other companies on an insufficient level. All costs (e.g. land, design, construction) incurred in a project remain in the stocks until sold. The group possesses a solid equity base, the equity ratio improved from 42% to 43% in 2010/2011 and to finally 45% in the latest regarded year, which is above the average compared to international standards. Also positive is the high amount of retained earnings as a portion of shareholders equity with about 92% in all years. After a positive net income in 2009/2010 and 2010/2011 the group generated a net loss of -49 Thsd. EUR in 2011/2012. Based on this development, the group’s profitability has significantly worse over the regarded period and is mainly of very poor quality in 2011/2012. All profitability ratios, the return on shareholders’ equity, on assets as well as on sales declined to insufficient values. The ratios in category debt coverage bettered to good respectively very good values in 2011/2012. All liquidity ratios increased over the regarded business years. The cash and current ratio show very good levels, due to higher liquid funds respectively inventories together with a strong reduction of short term liabilities.

From the qualitative perspective, the assessment evaluates rating criteria in regard to the company’s markets and it’s environment, internal organization and processes, strategy and management capacities as well as risk management and financing policies. This evaluation considers relevant public and disclosed information. In conclusion, Scope Ratings evaluates the qualitative rating criteria with a qualitative rating score of $BBB_{quali.}$. Main qualitative threats are difficult market conditions in Hungary and Romania, which are not reflected in the quantitative scenario, yet. Furthermore the business model to develop properties in an early stage goes along with a higher degree of risk, than the general real estate market. Qualitative strengths are in the group’s knowledge about their local market and long term relations to their partners as well as the wide range of existing projects with a reputation.

The consolidation of both levels results into a corporate rating of BBB-. The relation between quantitative and qualitative weighting is 70:30. Under the premise that the current planned targets are achieved, Scope awards a NEGATIVE outlook. This results from an expected and temporary deterioration of the financial statement figures in 2012/2013, due to the sale of the last remaining project in Spain with a loss. Thereby the bound equity in Spain shall be released and transferred into much more profitable projects in Codic's strategic core area of Western Europe.

The following key rating drivers have a material impact on the rating notation:

Key Security Driver	Key Risk Driver
• Solid equity base • Local market knowledge and project references • Knowledge of authorities and regulation • Long-standing relations with construction companies and investors	• Partly blocked equity capital • Difficult market conditions in South and East Europe • Properties at early stage of development (high project risk) • Currently negative profitability

B. Rating Object

Codic International is a well-established real estate developer in Europe which has been active in Belgium since 1970, in Luxembourg since 1989 and in France since 1990. These three regions represent the core area of activities for the Codic Group until today.

The group is specialized in multifunctional, office, business park and shopping center projects at an European level. In the last 10 years the company has developed over 1 million square meters of space. It teams up with reputable architects, presenting innovative designs and architecture and is successful in positioning itself for large international contests. Furthermore Codic is experienced as co-developer alongside other professional players.

History
1970 : Codic founded
1985 : British group Dixons becomes an equity partner
1989 : Codic sets up an office in the Grand Duchy of Luxembourg
1990 : Opening of an office in Lille and first projects in France
1992 : Codic Holding Company founded
1998 : Opening of the Paris office
2002 : CODIC's management team organises the takeover of the company by three investors quoted on Euronext and becomes an equity partner
2007: Opening of an office in Hungary
2007 : Opening of offices in Spain and Romania
2010 : Codic celebrates its 40th anniversary

II. Rating result

A. Qualitative Analysis

A.1. Summary of evaluations

Scope awards the qualitative criteria with **BBB$_{quali.}$** This opinion is based on the following qualitative areas:

Qualitative Criteria	Valuation	Weighting
Products and Industry	68 Points	10,20 %
Market Dynamics	54 Points	7,14 %
Strategy	72 Points	8,16 %
Corporate Management	76 Points	20,41 %
Human resources Policy	74 Points	4,08 %
Organizational Structure and Processes	81 Points	8,16 %
Procurement, Storage, Production Sales and Marketing	78 Points	6,12 %
External Communication and Corporate Planning	78 Points	10,20 %
Cost Accounting and Risk Management	69 Points	5,10 %
Account Data / Finance Policy	69 Points	20,41 %

Notes on the points: "100 points = „best possible evaluation"

A.2. Detailed analysis

A.2.1. Company and business sector

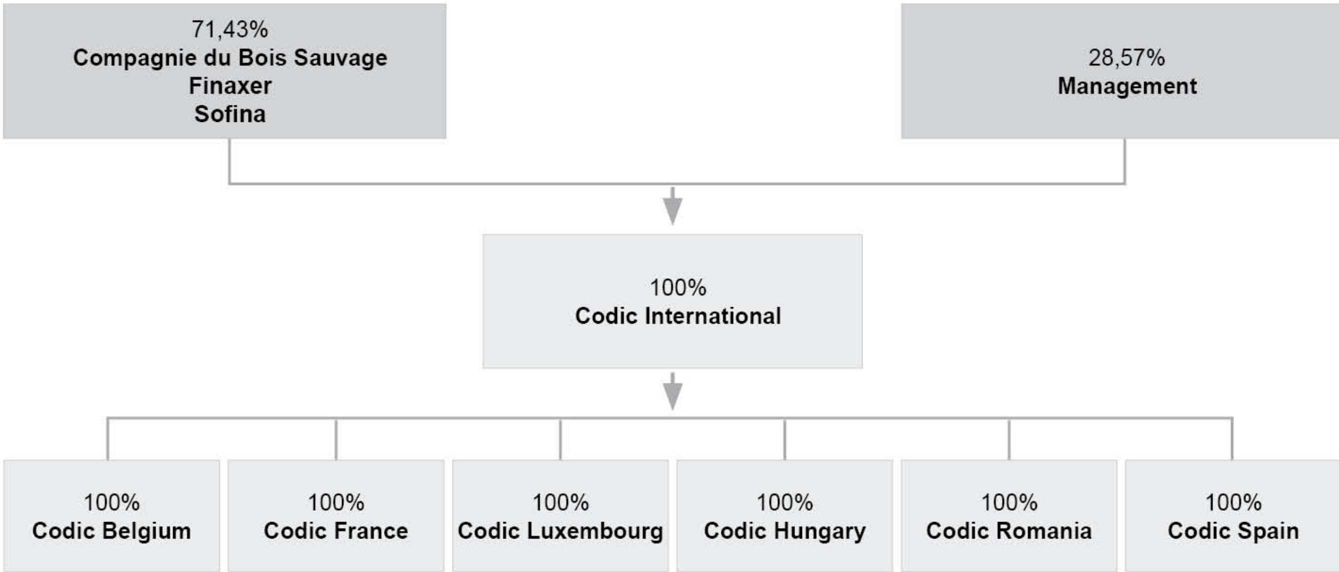
Codic counts large European asset and property managers among its clients and serves investors with a reputation from UK, Germany, France, Belgium and the Netherlands as well as large banks and insurance groups. The company has built a solid reputation, on which base customers are prepared to buy properties at an early stage of development.

Until 2003 Codic was owned by the Dixons Group for more than 20 years. Then a management buyout led by the current CEO Thierry Behiels enabled the group to expand in the market segments where it built its reputation. Since then the group has been one of the well performing groups in the European developer market with a NAV that has grown from 37 million Euro to 103 million Euro at FYE 2012, with more than 90 million Euro of distributed dividends over the period.

From being primarily focused on Northwestern European countries, the group has expanded its business more recently to Hungary, Romania and Spain. Due to the most recent market development of these three regions, the management has made the strategic decision to concentrate the business on the three core areas (Belgium, France, Luxembourg) in the upcoming months.

A.2.2. Group structure

Codic International S.A. is the parent company of six different national entities that make up the Codic Group. Among them are about 30 special purpose vehicles (SPV) located in the countries, where the real estate projects are developed.



Codic Group Structure, Source: Codic International

Because of various SPVs among the main entities of the group has complex legal structures, which is the result of its operational activities, but suitable for its business volume. 28,6% of shareholders' equity is – directly or indirectly - represented in the management of the company.

A.2.3. Management team

Codic is led by an international Executive Committee (ExCo), chaired by the CEO (Thierry Behiels). The committee consists of three international members and five country managers:

<u>Codic International</u>

- Thierry Behiels (Chief Executive Officer)
- Hervé Bodin (Chief Financial Officer)
- Philippe Weicker (Advisor of CEO)

<u>Country Managers</u>

- Christophe Jacobs (General Manager - Codic Belgium)
- Christophe Sirot (General Manager - Codic France)
- Raffaele Guiducci (General Manager - Codic Luxembourg)
- Christophe Boving (General Manager - Codic Hungary & Romania)
- Philippe Buisson (General Manager - Codic Spain)

Mark Souhami (Chairman of the board) and Sophie Goblet (CFO) have recently stopped the activities for Codic in 2012. Mr. Souhami's term has reached its end after 5 years and Ms. Goblet has left for personal reasons.

Hervé Bodin joined the group as the new CFO in May 2012. He has a professional background in the banking and finance sector.

A.2.4. Strategy and business model

Codic is continuing a divestiture program started during 2011/2012 and has signed exclusive undertakings with leading investors for the sale of several projects in France and Belgium. Subject to the successful completion of due diligence in progress these sales should take place till spring 2013.

The general business model of Codic is based on an end-to-end development approach with the following five steps:

1. Acquisition
2. Conception
3. Permits
4. Construction
5. Commercialization

Codic sees here competitive advantages in several phases from local teams with local market knowledge to good connections to local authorities and regulation as well as sound relationships with construction companies and investors. In addition exist various long standing relationships with local banks, which support the company's business.

A.2.5. Innovation and certification

In 2009, Codic won Euromoney's Real Estate Poll as Best Developer in Belgium and Best Office Developer in Hungary.

As a developer Codic has a 'Green' approach as one of its basic criteria. The certification of Codic's buildings falls under the scope of the development of standards established on a European level that allow the objectification of sustainability among customers. The BREEAM certification has the advantage of being recognized on an international level and of meeting the requirements of the investors and occupants of our buildings. Codic decided to systematically obtain BREEAM certification for all its future buildings and made the following concerns and commitments.

- To harmoniously integrate projects with their environment
- To offer optimum energy performance and ensure its control
- To favour green spaces
- To ensure accessibility to the site by public transport and soft mobility
- To ensure water is properly managed
- To reduce the carbon footprint
- To carefully choose materials
- To ensure the longevity of the developments

A.2.6. Risk management

Codic faces risks and uncertainties inherent to the business exercised by its subsidiaries. In particular these can be changes in the economic environment, cutbacks in the property market, significant interest rate increases and partly foreign exchange risks. The board of directors, aware of these risks, is attentive to their management in the current context. Various tools to hedge against interest rates have been put in place and are subject to a regular monitoring. However, an estimate of the fair value of the company's derivative financial instruments was -648 thousand Euro on April 30th, 2012.

Beside the general risks and concerning the risks of individual projects the company has installed a risk management that covers:

- Administrative risks
- Construction risks
- Letting risks
- Selling risks

For the evaluation of these risks are standardized procedures established.

A.2.7. Project portfolio

The group has a current range of +/-15 projects. In Belgium, France, Luxembourg and Spain the portfolio consists of business parks, offices, commercial & retails as well as mixed projects. However, due to a current offer Codic will use the possibility to sell the last remaining project on the problematic Spanish market. This will lead to a loss of 2,2 million Euro in 2012/2013, but also release tight a significant volume of equity for new projects. After that the business will be concentrated on the remaining areas in Belgium, France and Luxembourg, where Codic faces increasing market conditions and well known structures.

With regard to the valuation of the inventory in Hungary and Romania, the absence of a valuation reference (no transaction of significant size in these markets) and Codic’s desire to continue with the development of its land and projects when market and financing conditions are once again favorable, has led the Board of Directors to maintain the book value of these assets in the last annual accounts 2011/2012. In fact this decision was supported in Romania by the valuation of the land in Ploiesti, carried out by an independent expert consultancy. Therefore in both countries all existing projects are temporarily frozen in the land parceling stage now. This has a strong negative impact to the company’s performance, because more than 60% of the available equity are bound there and cannot be used for other projects or kinds of profit generation.

Currently this lack of performance can be balanced by the filled and profitable pipeline in North-Western Europe. Therefore and because of its financial constitution the company has actually no need for fire sales in East-Europe now. Accordingly, no adjustment for these assets has been made in the quantitative part of this analysis. Nevertheless, it must be explicitly noted that their value are covered with a high degree of price uncertainty.

A.2.8. Financial performance

The financial year 2011/2012 closed with a loss of 2,2 million Euro (Codic International S.A. staruory result). Therefore the board proposed not to distribute any dividends to the shareholders and to allocate the balance to be carried forward.

The shareholder’s equity represented 104 million Euro in April 2011 (Codic Group) and reduced about 0,6 million Euro during the next fiscal year. This is explained by the purchase of 10% of Codic Romania and the reintegration of the minority interests relating to it (0,7 million Euro) and the profit of the year of 0,2 million Euro, all of which has been carried over into the reserves.

According to chapter project portfolio, no adjustment for Hungarian and Romanian assets has been made concerning the equity ratio in this analysis. However, it has to be noted that in case of foreseeable negative developments in this market environment appropriate value reductions would have to be made. This would have a significant impact to the corporate rating and would weaken the result in total.

In April 2012 the debt vs. equity ratio amounts 0,85 and has lowered compared to 0,98 in the prior Regarding a conservative 5-year plan on basis of the existing projects the management expects to increase the generated cash flows from operations and in consequence the financial funds significantly until 2017/2018.

Despite forseeable declines in the profitability ratios on the short term is the current capital structure a positive foundation for future financing projects of the Codic Group and the sustainable good liquidity ratios since 2009/2010 also speak for the creditworthiness of the company. However, remains in the medium to long term, the plan compliant realization of the individual projects.

B. Quantitative Analysis

B.1. Summary of evaluation

The quantitative rating is based on financial statements of the years 2009/2010 to 2011/2012, as per April 30th and results in a quantitative rating score of **BB+$_{\text{quant.}}$**. A rating grade of category "double-B" generally indicates a reasonable financial performance and a small risk of default in the short-term. On the basis of the analysis of ratios generated out of a three-year assessment this section evaluates the three categories asset protection, profitability and debt coverage. In a dynamic view the rating notation for the individual years has worse from BBB$_{\text{-quant.}}$ in 2009/2010 by three notches to a BB$_{\text{-quant.}}$ in 2010/2011, but upgrades again to a BBB$_{\text{-quant.}}$ in the latest regarded year 2011/2012.

The ratios in **asset protection** are predominantly in the upper range of the evaluation scale. A characteristic for the business model is the high commitment in stocks. Therefore the ratio "stocks to revenue" lies here compared to other companies on an insufficient level. All other ratios in this category show good to very good results. The average debtors (47 days) and creditors (91 days) payment durations display good values and improved both strongly since 2009/2010. The group possesses a solid equity base, the equity ratio improved from 42% to 43% in 2010/2011 and to finally 45% in the latest regarded year, which is above the average compared to international standards. Also positive is the high amount of retained earnings as a portion of shareholders equity with about 92% in all years. After a positive net income in 2009/2010 and 2010/2011 the group generated a net loss of -49 Thsd. EUR in 2011/2012.

Based on this development, the group's **profitability** has significantly worse over the regarded period and is mainly of very poor quality in 2011/2012. All profitability ratios, the return on shareholders' equity, on assets as well as on sales declined to insufficient values. Based on the low revenue level combined with the higher amount of operative cash flow, only the cash flow margin (26%) improved over the considered period, especially from 2010/2011 to 2011/2012, to a very good level in the most recent year.

The ratios in category **debt coverage** bettered to good respectively very good values in 2011/2012. All liquidity ratios increased over the regarded business years. The cash and current ratio show very good levels, due to higher liquid funds respectively inventories together with a strong reduction of short term liabilities. The quick ratio stays on a reasonable value, mainly based on a decrease of receivables and other assets. Only the EBIT interest coverage, which is an important ratio for financing institutions, worsens over the regarded years, despite the lower interests but due to the significant reduced profit before taxes. Positive is the recent development of the operative cash flow. After a negative in 2010/2011 the cash flow increased to 20,0 mill. EUR in the most recent year, based on reduced receivables and other assets as well as stocks, despite the lower level of depreciations and the net loss. Thus the dynamic debt ratio improved to a reasonable level. Noticeable is also the strong improvement of the ratio short term debt intensity caused by the strongly reduced short term liabilities and which represents a very good relation.

B.2. Detailed analysis

B.2.1. Ratio compendium 2009/2010

RATING 09/10: BBB-$_{\text{quant.}}$

I Asset Protection		AAA	AA	A	BBB	BB	B	CCC	CC	C	<2,5	2,5-50	>50
I.1 Tangle fixed assets vs. turnover	0,0157										0,243	0,169	0,128
I.2 Stocks vs. turnover	0,9730									X	0,147	0,156	0,111
I.3 Trade debtors vs. turnover	0,3050						X				0,107	0,106	0,067
I.4 Equity ratio	0,4177				X						0,100	0,245	0,299
I.5 Trade creditors vs. cost of material	0,5928									X	0,190	0,125	0,081
I.6 Revenue reserves + retained earnings vs. equity	0,9160	X											

II Profitability		AAA	AA	A	BBB	BB	B	CCC	CC	C	<2,5	2,5-50	>50
II.1 Extraordinary income vs. ordinary income	0,0000	X											
II.2 Return on shareholder's equity (post tax)	0,0889				X						0,429	0,173	0,136
II.3 Return on assets	0,0664					X					0,078	0,066	0,058
II.4 Return on sales (after tax)	0,0692			X							0,028	0,025	0,032
II.5 Operating cash flow return on turnover	0,1206					X							

III Liquidity		AAA	AA	A	BBB	BB	B	CCC	CC	C	<2,5	2,5-50	>50
III.1 Fixed assets coverage rate A (equity)	47,5679										0,265	0,763	0,714
III.2 Fixed assets coverage rate B (long term)	61,9788										1,324	1,480	1,202
III.3 Cash ratio (liquidity ratio 1st grade)	0,1636						X				0,176	0,157	0,132
III.4 Quick ratio (liquidity ratio 2nd grade)	1,0201					X					0,884	0,928	1,197
III.5 Current ratio (liquidity ratio 3rd grade)	2,2362				X						1,393	1,522	1,583
III.6 Dynamic debt ratio	8,5858						X						
III.7 EBIT interest coverage	4,1767					X					2,637	3,511	4,095
III.8 Short term debt intensity	3,3954									X	1,238	2,503	5,378
III.9 Operating cash flow	15.692 Thsd. EUR												

Evaluation columns AAA to C; Benchmarks of business sector by turnover classes (in Mio.): <2,5, 2,5-50, >50.

Column AAA, AA, A: The ratio's result can be classified as very good to good, no apparent risk for the company in regards to this ratio

Column BBB, BB: the ratio's result is classified as sufficient to satisfactory. Evidence suggests fractional risk potentials in the ratio

Column B: The result of the ratio is unsatisfactory but still acceptable, provided that other ratios are producing better results. Risk potentials are clearly recognizable, and improvements are necessary

Column CCC, CC, C: The result of the ratio is classified to be insufficient. The ratio states a high level of risk potential and corrective measures must be taken immediately

Grey-shaded rows: These ratios are purely informative and have no bearing on the calculation of the final rating score

B.2.2. Ratio compendium 2010/2011

RATING 10/11: BB-QUANT.

I Asset Protection		Evaluation									Benchmarks of business sector by turnover classes (in Mio.)		
		AAA	AA	A	BBB	BB	B	CCC	CC	C	<2,5	2,5-50	>50
I.1 Tangle fixed assets vs. turnover	0,0266										0,243	0,169	0,128
I.2 Stocks vs. turnover	2,5543										0,147	0,156	0,111
I.3 Trade debtors vs. turnover	0,3494										0,107	0,106	0,067
I.4 Equity ratio	0,4300										0,100	0,245	0,299
I.5 Trade creditors vs. cost of material	3,6877										0,190	0,125	0,081
I.6 Revenue reserves + retained earnings vs. equity	0,9183												

II Profitability		Evaluation									Benchmarks of business sector by turnover classes (in Mio.)		
		AAA	AA	A	BBB	BB	B	CCC	CC	C	<2,5	2,5-50	>50
II.1 Extraordinary income vs. ordinary income	0,0000												
II.2 Return on shareholder's equity (post tax)	0,0299										0,429	0,173	0,136
II.3 Return on assets	0,0439										0,078	0,066	0,058
II.4 Return on sales (after tax)	0,0456										0,028	0,025	0,032
II.5 Operating cash flow return on turnover	-0,7366												

III Liquidity		Evaluation									Benchmarks of business sector by turnover classes (in Mio.)		
		AAA	AA	A	BBB	BB	B	CCC	CC	C	<2,5	2,5-50	>50
III.1 Fixed assets coverage rate A (equity)	55,3953										0,265	0,763	0,714
III.2 Fixed assets coverage rate B (long term)	82,7150										1,324	1,480	1,202
III.3 Cash ratio (liquidity ratio 1st grade)	0,2621										0,176	0,157	0,132
III.4 Quick ratio (liquidity ratio 2nd grade)	0,7248										0,884	0,928	1,197
III.5 Current ratio (liquidity ratio 3rd grade)	2,8588										1,393	1,522	1,583
III.6 Dynamic debt ratio	----												
III.7 EBIT interest coverage	1,6394										2,637	3,511	4,095
III.8 Short term debt intensity	1,5898										1,238	2,503	5,378
III.9 Operating cash flow	-50.172 Thsd. EUR												

Column AAA, AA, A: The ratio's result can be classified as very good to good, no apparent risk for the company in regards to this ratio

Column BBB, BB: the ratio's result is classified as sufficient to satisfactory. Evidence suggests fractional risk potentials in the ratio

Column B: The result of the ratio is unsatisfactory but still acceptable, provided that other ratios are producing better results. Risk potentials are clearly recognizable, and improvements are necessary

Column CCC, CC, C: The result of the ratio is classified to be insufficient. The ratio states a high level of risk potential and corrective measures must be taken immediately

Grey-shaded rows: These ratios are purely informative and have no bearing on the calculation of the final rating score

B.2.3. Ratio compendium 2011/2012

RATING 11/12: BBB-QUANT.

I Asset Protection		Evaluation	Benchmarks of business sector by turnover classes (in Mio.) <2,5	2,5-50	>50
I.1 Tangle fixed assets vs. turnover	0,0196		0,243	0,169	0,128
I.2 Stocks vs. turnover	2,1065	C	0,147	0,156	0,111
I.3 Trade debtors vs. turnover	0,1293	A	0,107	0,106	0,067
I.4 Equity ratio	0,4548	BBB	0,100	0,245	0,299
I.5 Trade creditors vs. cost of material	0,2526	BBB	0,190	0,125	0,081
I.6 Revenue reserves + retained earnings vs. equity	0,9178	AAA			

II Profitability		Evaluation	Benchmarks of business sector by turnover classes (in Mio.) <2,5	2,5-50	>50
II.1 Extraordinary income vs. ordinary income	0,0000	AAA			
II.2 Return on shareholder's equity (post tax)	-0,0005	CC	0,429	0,173	0,136
II.3 Return on assets	0,0213	CCC	0,078	0,066	0,058
II.4 Return on sales (after tax)	-0,0006	CCC	0,028	0,025	0,032
II.5 Operating cash flow return on turnover	0,2553	AA			

III Liquidity		Evaluation	Benchmarks of business sector by turnover classes (in Mio.) <2,5	2,5-50	>50
III.1 Fixed assets coverage rate A (equity)	65,5523		0,265	0,763	0,714
III.2 Fixed assets coverage rate B (long term)	107,9784		1,324	1,480	1,202
III.3 Cash ratio (liquidity ratio 1st grade)	0,5961	A	0,176	0,157	0,132
III.4 Quick ratio (liquidity ratio 2nd grade)	1,0542	BB	0,884	0,928	1,197
III.5 Current ratio (liquidity ratio 3rd grade)	4,2564	AA	1,393	1,522	1,583
III.6 Dynamic debt ratio	5,9250	BB			
III.7 EBIT interest coverage	1,5008	B	2,637	3,511	4,095
III.8 Short term debt intensity	0,7695	A	1,238	2,503	5,378
III.9 Operating cash flow	19.981 Thsd. EUR				

Column AAA, AA, A: The ratio's result can be classified as very good to good, no apparent risk for the company in regards to this ratio

Column BBB, BB: the ratio's result is classified as sufficient to satisfactory. Evidence suggests fractional risk potentials in the ratio

Column B: The result of the ratio is unsatisfactory but still acceptable, provided that other ratios are producing better results. Risk potentials are clearly recognizable, and improvements are necessary

Column CCC, CC, C: The result of the ratio is classified to be insufficient. The ratio states a high level of risk potential and corrective measures must be taken immediately

Grey-shaded rows: These ratios are purely informative and have no bearing on the calculation of the final rating score

B.3.1. Financial data

BALANCE SHEET: ASSETS (EXCERPT)

	09/10 Thsd. EUR	10/11 Thsd. EUR	11/12 Thsd. EUR
Fixed assets	**2.127**	**1.877**	**1.577**
thereof: Tangible fixed assets	2.042	1.815	1.533
Current assets (total)	**232.734**	**233.059**	**219.122**
thereof: Stocks	126.561	173.972	164.853
thereof: Receivables and other assets	51.494	31.757	17.603
thereof: Trade debtors	*39.676*	*23.799*	*10.119*
thereof: Securities – short term	37.654	5.960	5.976
thereof: Liquid funds	17.025	21.370	30.690
Total assets	**242.238**	**241.780**	**227.296**

BALANCE SHEET: LIABILITIES (EXCERPT)

	09/10 Thsd. EUR	10/11 Thsd. EUR	11/12 Thsd. EUR
Equity	**101.177**	**103.977**	**103.376**
thereof: Revenue reserves and retained earnings	92.678	95.479	94.877
Special reserves	**0**	**0**	**0**
Total Liabilities	**134.728**	**132.803**	**118.387**
thereof: Liabilities due within 1 year	104.076	81.524	51.481
thereof: Trade creditors	50.974	23.236	19.060
Provisions	**3.983**	**3.676**	**3.611**
thereof: Provisions due after 1 year	0	0	0

PROFIT & LOSS ACCOUNT (EXCERPT)

	09/10 Thsd. EUR	10/11 Thsd. EUR	11/12 Thsd. EUR
Turnover	**130.077**	**68.109**	**78.259**
Cost of material	85.991	6.301	75.457
Interest expenses of the current year	7.086	7.506	4.882
Depreciation & amortisation in current year	2.344	2.442	998
Operating profit	**22.510**	**4.799**	**2.445**
Extraordinary result	0	0	0
Profit before tax	22.510	4.799	2.445
Net Income (loss)	**8.998**	**3.105**	**-49**

Responsibility

Company

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Kai Zimmermann (Lead Analyst)
Matthias Koch (Corporate Analyst)

Committee

Thomas Morgenstern (Managing Director)

Execution

- Publication rights are exclusive to Scope Ratings.
- The analysis has been conducted by a solicited basis.
- The assessment is based on the rating methodology for corporations as defined and validated at the period of execution. The credit rating methodology can be examined at www.scoperatings.com.

Engagement and Execution

The management of Codic Group located in Brussels in Belgium assigned Scope Ratings to conduct an external rating report for the financial stability of the group. The Codic Group (cons.) was defined as rating object. The assignment implies the determination of a rating score based on financial data including the fiscal years 2009/2010, 2010/2011 and 2011/2012. Furthermore the analysis is based on the management interview of March 1st, 2013, which was conducted in Paris, France, as well as of March 18th, 2013 in Brussels, Belgium.

Evaluation

Our evaluations are based on statements, documents and information, either provided by the company or publicly available data. The exploitation of the documents and information was made to the best knowledge and with the contribution of the professional expertise and experience of our analysts. As far as possible and necessary, main details were reviewed regarding plausibility and consistency. However Scope Ratings cannot assume any liability for the accuracy of this information and for the results deduced from it.

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