

FOLLI FOLLIE HONG KONG LIMITED

Annual Report

For the year ended 31 December 2011

— *Chung & Partners* —

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF FOLLI FOLLIE HONG KONG LIMITED**  
(Incorporated in Hong Kong with limited liability)

[www.cpi-cpa.com](http://www.cpi-cpa.com)

We have audited the consolidated financial statements of FOLLI FOLLIE HONG KONG LIMITED (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 4 to 48, which comprise the consolidated and the Company statement of financial position as at 31 December 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Directors' Responsibility for the Consolidated Financial Statements*

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and report our opinion solely to you, as a body, in accordance with the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants, which conform to International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Chung & Partners Limited  
Certified Public Accountants  
Room 2408, 24/F, Hopewell Centre,  
183 Queen's Road East, Wanchai,  
Hong Kong, 29 March 2012

CHUNG, Yau Yan Sammy  
Practising Certificate No. P02155

FOLLI FOLLIE HONG KONG LIMITED

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2011

	Note	2011 USD	2010 USD (restated)
REVENUE	6	505,005,521	439,346,872
Cost of sales		(253,894,992)	(237,205,200)
Gross profit		<u>251,110,529</u>	<u>202,141,672</u>
Other gains and losses	7	310,940	2,546,350
Selling and distribution expenses	8	(80,950,975)	(71,612,715)
Administrative expenses	9	(5,509,205)	(10,092,372)
Net finance income	10	671,204	551,288
PROFIT BEFORE TAX	11	<u>165,632,493</u>	<u>123,534,223</u>
Income tax expense	13	<u>(29,472,878)</u>	<u>(20,605,241)</u>
PROFIT FOR THE YEAR		<u>136,159,615</u>	<u>102,928,982</u>
Attributable to:			
Shareholders of the Company		136,171,037	103,035,889
Non-controlling interests		<u>(11,422)</u>	<u>(106,907)</u>
		<u>136,159,615</u>	<u>102,928,982</u>

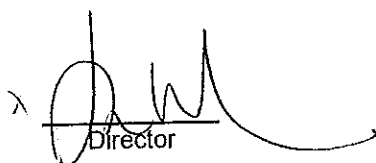
FOLLI FOLLIE HONG KONG LIMITED

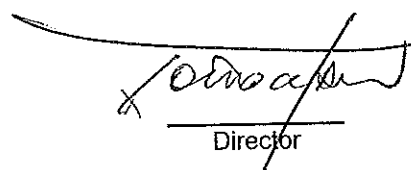
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011

	Note	2011 USD	2010 USD (restated)
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Property, plant and equipment	15	7,932,935	8,178,085
Investment properties	16	13,151,282	13,151,282
		<u>21,084,217</u>	<u>21,329,367</u>
Intangible assets	17	3,952,500	3,952,500
Deferred tax assets	18	543,316	480,515
Non-current portion of rental deposits	23	3,860,936	2,833,297
		<u>29,440,969</u>	<u>28,595,679</u>
<b>CURRENT ASSETS</b>			
Inventories	20	185,264,946	139,783,951
Trade receivables	21	392,497,657	354,651,797
Loan and other receivables	22	129,144,456	69,383,844
Deposits and prepayments	23	2,786,079	2,458,979
Cash and bank deposits	24	102,139,946	106,015,209
		<u>811,833,084</u>	<u>672,293,780</u>
		<u>841,274,053</u>	<u>700,889,459</u>
<b>TOTAL ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital	25	20,579,103	20,579,103
Reserves	26	760,041,453	622,170,448
Total equity attributable to shareholders of the Company		<u>780,620,556</u>	<u>642,749,551</u>
Non-controlling interests		(55,032)	(41,252)
<b>TOTAL EQUITY</b>		<u>780,565,524</u>	<u>642,708,299</u>
<b>NON-CURRENT LIABILITIES</b>			
Obligations under finance leases	29	14,245	35,613
		<u>14,245</u>	<u>35,613</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	27	11,718,424	11,345,936
Interest-bearing bank borrowings	28	1,777,768	20,788,782
Obligations under finance leases	29	21,368	21,368
Amounts due to fellow subsidiaries	30	29,906,274	22,170,858
Amount due to immediate holding company	31	1,534,846	1,514,596
Amount due to a director	32	1,386,370	-
Current tax payable		14,349,234	2,304,007
		<u>60,694,284</u>	<u>58,145,547</u>
		<u>841,274,053</u>	<u>700,889,459</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			

The financial statements on page 4 to 48 were approved and authorized for issue by the board of directors on 29 March 2012.

  
Director

  
Director

FOLLI FOLLIE JAPAN, LTD.

Annual Report

For the year ended 31 December 2011

— *Chung & Partners* —

# Chung & Partners

卓匯會計師事務所有限公司  
**Chung & Partners Limited**  
Certified Public Accountants

Room 2408, 24/F, Hopewell Centre,  
183 Queen's Road East, Wanchai, Hong Kong  
香港灣仔皇后大道東 183 號  
合和中心 2408 室  
Tel (852) 2524 7300 Fax (852) 2524 1213

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**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF FOLLI FOLLIE JAPAN, LTD**  
(Incorporated in Japan with limited liability)

We have audited the accompanying financial statements of FOLLI FOLLIE JAPAN, LTD (the "Company") set out on pages 4 to 25 which comprise the statements of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The above financial statements are prepared in accordance with International Financial Reporting Standards.

*Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Hong Kong Auditing Standards, which conform to International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We confirm that we have complied with International Auditing Standards in carrying out our audit and we have complied with our letter of instructions.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union. This report is solely for the information and use of the group auditors of ultimate holding company and should not be used for any other purposes.

  
Chung & Partners Limited  
Certified Public Accountants  
Room 2408, 24/F, Hopewell Centre,  
183 Queen's Road East, Wanchai,  
Hong Kong, 29 March 2012

CHUNG, Yau Yan Sammy  
Practising Certificate No. P02155

FOLLI FOLLIE JAPAN, LTD.

**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2011

	Note	2011 JPY'000	2010 JPY'000 (restated)
REVENUE	5	3,130,806	3,499,563
Cost of sales		<u>(718,963)</u>	<u>(745,085)</u>
Gross profit		2,411,843	2,754,478
Other gains and losses	6	647,887	758,902
Selling and distribution expenses	7	(2,718,721)	(3,074,669)
Administrative expenses	8	(387,681)	(404,846)
Finance costs, net	9	<u>(20,229)</u>	<u>(21,831)</u>
(LOSS) / PROFIT BEFORE TAX	10	(66,901)	12,034
Income tax expense	11	<u>(70,130)</u>	<u>(15,944)</u>
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(137,031)</u>	<u>(3,910)</u>

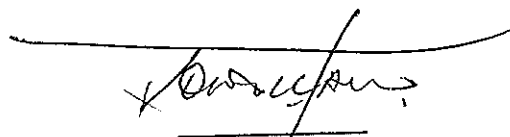
FOLLI FOLLIE JAPAN, LTD.

STATEMENT OF FINANCIAL POSITION  
At 31 December 2011

	Note	2011 JPY'000	2010 JPY'000
<b>NON-CURRENT ASSETS</b>			
Deferred tax assets	12	187,397	234,247
Property, plant and equipment	13	307,132	329,524
Non-current portion of deposits and prepayments	17	528,586	550,429
		<u>1,023,115</u>	<u>1,114,200</u>
<b>CURRENT ASSETS</b>			
Inventories	14	964,499	963,921
Trade receivables	15	514,844	565,692
Amount due from a fellow subsidiary	16	1,098,333	600,117
Other receivables, deposits and prepayments	17	71,400	80,468
Cash and cash equivalents	18	91,980	155,213
		<u>2,741,056</u>	<u>2,365,411</u>
		<u>3,764,171</u>	<u>3,479,611</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY</b>			
Share capital	19	249,440	249,440
Reserves		<u>1,160,040</u>	<u>1,297,071</u>
		<u>1,409,480</u>	<u>1,546,511</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing borrowings	20	<u>250,885</u>	<u>363,242</u>
<b>CURRENT LIABILITIES</b>			
Current portion of interest-bearing borrowings	20	342,514	410,347
Amount due to immediate and ultimate holding company	21	781,054	228,855
Amounts due to fellow subsidiaries	22	5,347	761
Trade payables		471,934	323,901
Other payables and accruals	23	488,810	594,705
Tax payable		14,147	11,289
		<u>2,103,806</u>	<u>1,569,858</u>
		<u>2,354,691</u>	<u>1,933,100</u>
<b>TOTAL LIABILITIES</b>		<u>3,764,171</u>	<u>3,479,611</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			

The financial statements on pages 4 to 26 were approved and authorized for issue by the company's board of directors on 29 March 2012.

  
Director

  
Director



**FOLLI FOLLIE (UK) LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**DIRECTORS:** D Koutsolioutsos  
J Armstrong

**SECRETARY:** Dracliffe Company Services Ltd

**REGISTERED OFFICE:** 5 Great College Street  
Westminster  
London  
SW1P 3SJ

**REGISTERED NUMBER:** 3505581 (England and Wales)

**AUDITORS:** Chris Skarparis & Co Ltd  
Chartered Accountants and  
Statutory Auditors  
2nd Floor  
10(b) Aldermans Hill  
Palmers Green  
London  
N13 4PJ

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FOLLI FOLLIE (UK) LIMITED**

We have audited the financial statements of Folli Follie (UK) Limited for the year ended 31 December 2011 on pages five to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

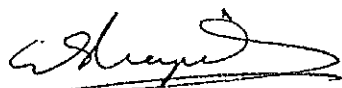
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Christakis Skarparis BSc FCA (Senior Statutory Auditor)  
for and on behalf of Chris Skarparis & Co Ltd  
Chartered Accountants and  
Statutory Auditors  
2nd Floor  
10(b) Aldermans Hill  
Palmers Green  
London  
N13 4PJ

7 March 2012

**FOLLI FOLLIE (UK) LIMITED**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	31.12.11 £	31.12.10 £
<b>CONTINUING OPERATIONS</b>			
Revenue	2	914,500	896,223
Cost of sales		5,163	5,058
<b>GROSS PROFIT</b>		<u>919,663</u>	<u>901,281</u>
Other operating income		18,187	20,531
Distribution costs		(52)	(133)
Administrative expenses		<del>(1,051,600)</del>	<del>(1,044,035)</del>
<b>OPERATING LOSS</b>		<u>(113,802)</u>	<u>(122,356)</u>
Finance costs	4	-	(202)
Finance income	4	4	4
<b>LOSS BEFORE INCOME TAX</b>	5	<u>(113,798)</u>	<u>(122,554)</u>
Income tax	6	11,310	40,479
<b>LOSS FOR THE YEAR</b>		<u><u>(102,488)</u></u>	<u><u>(82,075)</u></u>

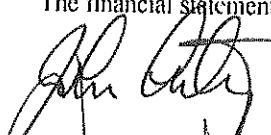
The notes form part of these financial statements

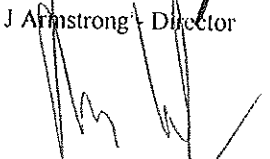
**FOLLI FOLLIE (UK) LIMITED**

**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2011**

	Notes	31.12.11 £	31.12.10 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	416,203	469,009
Deferred tax	15	63,202	51,892
		<hr/>	<hr/>
		479,405	520,901
<b>CURRENT ASSETS</b>			
Inventories	8	45,949	38,820
Trade and other receivables	9	3,615,117	3,630,170
Cash and cash equivalents	10	350,333	394,470
		<hr/>	<hr/>
		4,011,399	4,063,460
<b>TOTAL ASSETS</b>			
		<hr/> <hr/>	<hr/> <hr/>
		4,490,804	4,584,361
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	11	2,062,502	2,062,502
Retained earnings	12	2,154,296	2,256,784
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		4,216,798	4,319,286
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	274,006	265,075
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		274,006	265,075
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<b>TOTAL EQUITY AND LIABILITIES</b>		4,490,804	4,584,361
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Board of Directors on 7 March 2012 and were signed on its behalf by:

  
J Armstrong - Director

  
D Koutsolioutsos - Director

The notes form part of these financial statements

**"FOLLI – FOLLIE FRANCE"**

**A SIMPLIFIED JOINT STOCK COMPANY  
WITH A CAPITAL OF 7 200 000 €  
4, avenue Bertie Albrecht  
75008 Paris**

**FINANCIAL YEAR ENDING 31 DECEMBER 2011**

**GENERAL CONCLUSION REPORT  
(IFRS)**

To the sole shareholder of "FOLLI-FOLLIE FRANCE",

### **I. Report on the Financial Statements**

We have audited the accompanying financial statements of "FOLLI-FOLLIE FRANCE", and the consolidated financial statements of the Company, which comprise the balance sheet as at December 31, 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The above financial statements are prepared in accordance with IFRS.

### **II. Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **III. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the local Auditing Standards, which conform to International Standards of Auditing.

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We confirm that we have complied with International Auditing Standards in carrying out our audit and we have complied with our letter of instructions. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **IV. Opinion**

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of "FOLLI-FOLLIE FRANCE" and the Group as of December 31, 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

This report is solely for the information and use of the Group auditors of "FOLLI-FOLLIE FRANCE" and should not be used for any other purposes.

Executed in Paris, march 9, 2012

*For MESSINE AUDIT COMPANY*

*Laurent GANEM*

*Auditor*

*Member of the Paris Regional Association*

## Balance Sheet

	EYPQ FOLLI FOLLIE 31.12.2011	EYPQ FOLLI FOLLIE 31.12.2010
<b>Assets</b>		
<b>Non-current assets</b>		
Tangible fixed assets	130 052,13	207 477,00
Investment Property	0,00	0,00
Intangible assets	756 756,99	756 756,99
Goodwill	0,00	0,00
Investments in subsidiaries	0,00	0,00
Investments available for sale	0,00	0,00
Deferred tax claims	0,00	0,00
Other long term assets	135 265,15	173 685,84
<b>Total non-current</b>	<b>1 022 074,27</b>	<b>1 137 919,83</b>
<b>Current assets</b>		
Inventories	404 909,50	599 272,01
Trade receivables	665 000,00	665 000,00
Other current assets	67 947,65	323 225,28
Derivatives	0,00	0,00
Cash & cash equivalent	-1 013 962,36	4 881,31
Other financial assets at fair value through profit	0,00	0,00
<b>Total current assets</b>	<b>123 894,79</b>	<b>1 592 378,60</b>
<b>Total assets</b>	<b>1 145 969,06</b>	<b>2 730 298,43</b>
<b>Equity &amp; Liabilities</b>		
<b>Equity of shareholders of the parent company</b>		
Share capital	7 200 000,00	7 200 000,00
Share Premium	137 204,11	137 204,00
Other reserves	0,00	0,00
Other equity	0,00	0,00
Retained earnings	-6 744 693,94	-5 744 709,61
	<b>592 510,17</b>	<b>1 592 494,39</b>
Minority Interests	0,00	0,00
<b>Total equity</b>	<b>592 510,17</b>	<b>1 592 494,39</b>
<b>Liabilities</b>		
<b>Long-term liabilities</b>		
Long-term borrowings	0,00	609 796,07
Deferred tax liabilities	0,00	0,00
Employee benefit liabilities	0,00	0,00
Total long-term provisions	0,00	0,00
Other long-term liabilities	37 000,00	37 000,00
<b>Total long-term liabilities</b>	<b>37 000,00</b>	<b>646 796,07</b>
<b>Short-term liabilities</b>		
Short-term borrowings	0,00	0,00
Derivatives	0,00	0,00
Trade and other payables	500 517,81	481 660,64
Current Income tax	0,00	0,00
Current tax liabilities	15 941,00	9 347,21
Dividends payable	0,00	0,00
<b>Total short term liabilities</b>	<b>516 458,81</b>	<b>491 007,85</b>
<b>Total liabilities</b>	<b>553 458,81</b>	<b>1 137 803,92</b>
<b>Total equity &amp; liabilities</b>	<b>1 145 968,98</b>	<b>2 730 298,31</b>
<b>Check Assets - Liabilities</b>	<b>0,08</b>	<b>0,12</b>



Total Revenue

	EYPΩ FOLLI FOLLIE FRANCE 01.01.-31.12.2011		EYPΩ FOLLI FOLLIE FRANCE 01.01.-31.12.2010	
	Continuing operations		Continuing operations	
Total sales		868 513,07		1 817 663,37
Cost of goods		-254 044,67		-382 836,52
<b>Gross Profit</b>		<b>614 468,40</b>		<b>1 434 826,85</b>
Other operating income		0,00		5 683,50
Administration expenses		-679 119,03		-693 634,16
Selling expenses		-937 255,95		-1 576 647,69
Other operating expenses		-159,50		-329,50
<b>Operating income</b>		<b>-1 002 066,08</b>		<b>-830 101,00</b>
Financial income		45 667,54		1 150 000,00
Financial expenses		-43 585,41		-1 562 073,04
<b>Profit before tax</b>		<b>-999 983,95</b>		<b>-1 242 174,04</b>
Income tax		0,00		0,00
Deferred Tax		0,00		0,00
<b>Profit/Loss (after the tax)</b>		<b>-999 983,95</b>		<b>-1 242 174,04</b>
Depreciation & amortization		75 950,10		135 131,56
<b>Profit before taxes depreciation &amp; amortisation</b>		<b>-926 115,98</b>		<b>-694 969,44</b>
<b>Other comprehensive income / (expenses): Recognised In Equity</b>				
Financial assets available for sale		0,00		0,00
Valuation of Assets		0,00		0,00
Valuation of financial instruments		0,00		0,00
Income tax relating to items of the total income		0,00		0,00
Deferred taxes non-participants in Profit		0,00		0,00
Profit / loss from associates		0,00		0,00
Other income not participating in profit for the period		0,00		0,00
Foreign translation exchange differences		0,00		0,00
<b>Other comprehensive income, net of taxes</b>		<b>0,00</b>		<b>0,00</b>
<b>Total comprehensive income after taxes</b>		<b>-999 983,95</b>		<b>-1 242 174,04</b>
<b>Profit is attributable to:</b>				
<b>Shareholders of the parent company</b>		-999 983,95		-1 242 174,04
<b>Non controlling interests</b>		0,00		0,00
<b>Total</b>		<b>-999 983,95</b>		<b>-1 242 174,04</b>
<b>Total comprehensive income</b>				
<b>Atributable to :</b>				
<b>Shareholders of the parent company</b>		-999 983,95		-1 242 174,04
<b>Non controlling interests</b>		0,00		0,00
<b>Total</b>		<b>-999 983,95</b>		<b>-1 242 174,04</b>
<b>Earnings per share</b>				
<b>Basic and diluted (in euros):</b>		<b>0,00000</b>		<b>0,00000</b>

**ELMEC SPORT BULGARIA EOOD**  
**AUDITOR'S REPORT**  
**AND GROUP REPORTING PACKAGE**  
**FOR THE YEAR ENDED 2011**



**BAKER TILLY  
KLITOU**

**Attachment C**

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Entrance A, 7th floor  
1612 Sofia  
Tel: +359 2 9580980  
Fax: +359 2 8592139  
Email: info@bakertillyklitou.bg  
Website: www.bakertillyklitou.bg

**Auditor's Report on the Group Reporting Package as of December 31, 2011**

To: **Group Auditor/ChrisaTsakalogianni**

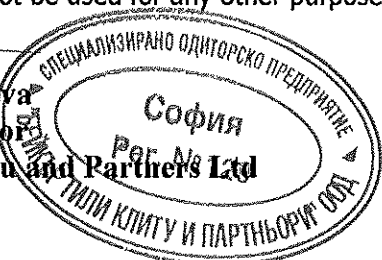
We have performed an audit on the Group Reporting Package of ELMEC SPORT BULGARIA EOOD expressed in Leva as of December 31, 2011 and for the year then ended. All information included in the Group Reporting Package forms are the sole responsibility of the Company's management. These specified forms do not purport to be financial statements and are prepared in accordance with Group accounting policies based on IFRS, for the sole purpose to be used as a basis for the consolidated financial statements of FOLLI FOLLIE GROUPS.A. as of December 31, 2011. Our responsibility is to conclude, for the purpose of inclusion in the consolidated financial statements of FOLLI FOLLIE GROUP S.A. on the compliance of ELMEC SPORT BULGARIA EOOD Group Reporting Package with Group accounting policies based on IFRS.

Our responsibility is to express an opinion on the Group Reporting Package based on our audit. We conducted our audit in accordance with the International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Group Reporting Package forms are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Group Reporting Package. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Group Reporting Package, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Group Reporting Package in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the Group Reporting Package. We confirm that we have complied with International Auditing Standards in carrying out our audit and we have complied with your letter of instructions. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the aforementioned Group Reporting Package present fairly, in all material respects, the financial position of ELMEC SPORT BULGARIA EOOD as of December 31, 2011, and of its financial performance and its cash flows for the year then ended in accordance with Group accounting policies based on IFRS.

This report is solely for the information and use of the Group auditors of ELMEC SPORT BULGARIA EOOD and should not be used for any other purposes.

  
**Krassimira Radeva**  
Managing Director  
Baker Tilly Klitou and Partners Ltd



**8 March 2012**  
**Sofia, Bulgaria**

Baker Tilly Klitou and Partners OOD  
trading as Baker Tilly Klitou

	<b>1/1 - 31/12/2011</b>	<b>1/1 - 31/12/2010</b>
Turnover	17.626	18.863
Cost of sales	-10.003	-11.045
<b>Gross profits</b>	<b>7.623</b>	<b>7.818</b>
Other income	56	127
Other expenses	-656	-653
Administrative expenses	-540	-517
Sale & distribution expenses	-6.676	-6.368
<b>EBITDA</b>	<b>-193</b>	<b>407</b>
Financials	-298	-82
<b>EBT</b>	<b>-491</b>	<b>325</b>
Taxes	-10	-47
<b>Net Income</b>	<b>-481</b>	<b>278</b>

## Assets

Assets	Notes	Local Currency	Local Currency
		ELMEC BULGARIA FOOD 31.12.2011	ELMEC BULGARIA FOOD 31.12.2010
<b>Land</b>		0.00	0.00
<i>Buildings &amp; Leasehold improvements</i>		1 353 697.46	956 114.17
<i>Machinery &amp; technical installation</i>		41 757.97	48 126.50
<i>Transportation equipment</i>		72 924.55	67 994.20
<i>Furniture and fixtures</i>		2 112 455.31	1 683 197.63
<i>Construction in progress</i>		12 465.00	23 544.23
<b>Tangible fixed assets</b>		<b>3 593 300.29</b>	<b>2 778 976.73</b>
<b>Investment Property</b>		<b>0.00</b>	<b>0.00</b>
<i>Software Programs</i>		31 689.19	37 475.70
<i>Rental Rights</i>		0.00	0.00
<i>Grant of industrial property rights</i>		0.00	0.00
<b>Intangible assets</b>		<b>31 689.19</b>	<b>37 475.70</b>
<b>Goodwill</b>		<b>0.00</b>	<b>0.00</b>
<b>Investments in subsidiaries</b>		<b>0.00</b>	<b>0.00</b>
<b>Investments available for sale</b>		<b>0.00</b>	<b>0.00</b>
<b>Deferred tax claims</b>		<b>30 364.95</b>	<b>7 946.12</b>
<i>Bills and checks receivable</i>		0.00	0.00
<i>Rental deposits</i>		88 176.73	217 194.53
<i>Other non current assets</i>		0.00	0.00
<b>Other long term assets</b>		<b>88 176.73</b>	<b>217 194.53</b>
<b>Total non-current</b>		<b>3 743 531.16</b>	<b>3 041 593.08</b>
<b>Current assets</b>			
<i>Merchandise</i>		10 992 319.81	10 919 625.86
<i>Products - Raw Materials &amp; Consumables</i>		0.00	0.00
<i>Packing materials</i>		105 926.64	104 357.92
<i>Less: Provisions for obsolescence</i>		-292 719.94	-152 169.36
<b>Inventories</b>		<b>10 805 526.51</b>	<b>10 871 814.42</b>
<i>Trade receivables (customers via open balances)</i>		699 812.16	1 080 838.82
<i>Cheques/promisory notes receivables</i>		0.00	0.00
<i>Balance provision of bad debts 01.01.2011</i>		(-) -52 726.25	0.00
<i>Expense for the period</i>		(-) -18 917.93	-52 726.25
<i>Deletions / Recovery period</i>		(+) 0.00	0.00
<b>Balance provision of bad debts 31.12.2011</b>		<b>-71 644.18</b>	<b>-52 726.25</b>
<b>Trade receivables</b>		<b>628 167.98</b>	<b>1 028 112.57</b>
<i>Trade receivables (customers via credit cards)</i>		17 706.35	16 801.32
<i>Short-term Loan Claims</i>		0.00	0.00
<i>Receivables from public sector</i>		124 058.28	127 933.68
<i>Advances to suppliers</i>		26 493.06	38 834.03
<i>Personel advances</i>		2 081.09	204.40
<i>Purchases under settlement</i>		0.00	0.00
<i>Other receivables</i>		21 282.99	23 050.74
<i>Prepaid expenses</i>		109 754.50	238 380.25
<i>Acrued income</i>		0.00	0.00
<b>Other current assets</b>		<b>301 376.27</b>	<b>445 204.42</b>

Assets

Assets	Notes	Local Currency ELMEC BULGARIA EOOD 31.12.2011	Local Currency ELMEC BULGARIA EOOD 31.12.2010
<b>Derivatives</b>		<b>0.00</b>	<b>0.00</b>
<i>Cash on hand</i>			
<i>Cash at bank</i>		43 071.16	54 168.91
<i>Credit cards</i>		342 084.30	140 940.96
<b>Cash &amp; cash equivalent</b>		<b>0.00</b>	<b>0.00</b>
		<b>385 155.46</b>	<b>195 109.87</b>
<b>Other financial assets at fair value through profit</b>		<b>0.00</b>	<b>0.00</b>
<b>Total current assets</b>		<b>12 120 226.22</b>	<b>12 540 241.28</b>
<b>Total assets</b>		<b>15 863 757.38</b>	<b>15 581 834.36</b>
<b>Liabilities check</b>			

Representative:  
Mihail Katsibiris  
Manager

ЕЛМЕК СПОРТ  
БЪЛГАРИЯ ЕООД  
София



## Liabilities

Equity & Liabilities	Notes	Local Currency	Local Currency
		ELMEC BULGARIA EODD 31.12.2011	ELMEC BULGARIA EODD 31.12.2010
<b>Share capital</b>		<b>3 020 000.00</b>	<b>3 020 000.00</b>
<b>Share Premium</b>		<b>0.00</b>	<b>0.00</b>
<i>Statutory reserves</i>		0.00	0.00
<i>Untaxed reserves from tax-exempt income</i>		0.00	0.00
<i>Extraordinary reserves</i>		0.00	0.00
<i>Fair value reserves</i>		606.59	606.59
<i>Difference from revaluation of participations &amp; securities</i>		0.00	0.00
<i>Own shares</i>		0.00	0.00
<b>Other reserves</b>		<b>606.59</b>	<b>606.59</b>
<i>Currency translated differences</i>		0.00	0.00
<i>Differences due Consolidation</i>		0.00	0.00
<b>Other equity</b>		<b>0.00</b>	<b>0.00</b>
<i>Profit &amp; loss carried forward</i>		9 872 210.73	9 593 592.95
<i>Retained earnings of current year</i>		-482 173.70	278 617.78
<b>Retained earnings</b>		<b>9 390 037.03</b>	<b>9 872 210.73</b>
<b>Equity of shareholders of the parent company</b>		<b>12 410 643.62</b>	<b>12 892 817.32</b>
<b>Minority interests</b>		<b>0.00</b>	<b>0.00</b>
<b>Total equity</b>		<b>12 410 643.62</b>	<b>12 892 817.32</b>
<i>Bond Loans</i>		0.00	0.00
<i>Bank Loans</i>		2 217 728.28	1 603 007.00
<i>Leases</i>		7 701.98	0.00
<b>Borrowings</b>		<b>2 225 430.26</b>	<b>1 603 007.00</b>
<b>Long-term liabilities</b>			
<i>More than 5 years</i>		0.00	0.00
<i>From 1 to 5 years</i>		0.00	0.00
<b>Bond Loans</b>		<b>0.00</b>	<b>0.00</b>
<i>More than 5 years</i>		0.00	0.00
<i>From 1 to 5 years</i>		1 875 244.97	1 603 007.00
<b>Bank Loans</b>		<b>1 875 244.97</b>	<b>1 603 007.00</b>
<i>More than 5 years</i>		0.00	0.00
<i>From 1 to 5 years</i>		2 436.34	0.00
<b>Leases</b>		<b>2 436.34</b>	<b>0.00</b>
<b>Long-term borrowings</b>		<b>1 877 681.31</b>	<b>1 603 007.00</b>
<b>Deferred tax liabilities</b>		<b>45 952.14</b>	<b>33 633.76</b>
<i>Liabilities balance principle</i>	(+)	0.00	0.00
<i>Formation of provision</i>	(+)	0.00	0.00
<i>Provision used in period</i>	(-)	0.00	0.00
<b>Employee benefit liabilities</b>		<b>0.00</b>	<b>0.00</b>
<i>Remaining provisions for additional taxes 01.01.2011</i>	(+)	0.00	0.00
<i>Formation of provision</i>	(+)	0.00	0.00
<i>Provision used in period</i>	(-)	0.00	0.00
<b>Provisions for additional taxes 31.12.2011</b>		<b>0.00</b>	<b>0.00</b>
<i>Provisions for exposure &amp; expenses 01.01.2011</i>	(+)	0.00	0.00
<i>Formation of provision</i>	(+)	0.00	0.00
<i>Provision used in period</i>	(-)	0.00	0.00



## Liabilities

Notes	Local Currency	
	ELMEC BULGARIA EOOD 31.12.2011	ELMEC BULGARIA EOOD 31.12.2010
<b>Equity &amp; Liabilities</b>		
<i>Provisions for exposure &amp; expenses 31.12.2011</i>		
<b>Total long-term provisions</b>	<b>0.00</b>	<b>0.00</b>
<i>Other liabilities</i>		
Valuation from financial hedging instruments	0.00	0.00
Special contribution tax	0.00	0.00
<b>Other long-term liabilities</b>	<b>0.00</b>	<b>0.00</b>
<b>Total long-term liabilities</b>	<b>1 923 633.45</b>	<b>1 636 640.76</b>
<i>Short-term liabilities</i>		
Up to 1 year	0.00	0.00
<b>Bond Loans</b>	<b>0.00</b>	<b>0.00</b>
Up to 1 year	342 483.31	0.00
<b>Bank Loans</b>	<b>342 483.31</b>	<b>0.00</b>
Up to 1 year	5 265.64	0.00
<b>Leases</b>	<b>5 265.64</b>	<b>0.00</b>
<b>Short-term borrowings</b>	<b>347 748.95</b>	<b>0.00</b>
<i>Derivatives</i>		
	<b>0.00</b>	<b>0.00</b>
<i>Suppliers</i>		
Checques / promissory notes payables	535 933.23	416 911.79
Advances from customers	0.00	0.00
Personel payroll payable	86 143.31	81 959.28
Other creditors payable	150 781.48	78 776.56
social security contribution	0.00	0.00
Other liabilities	48 609.54	30 286.74
Accrued expenses	0.00	0.00
Deferred revenue	89 428.71	196 446.68
	0.00	0.00
<b>Trade and other payables</b>	<b>910 896.27</b>	<b>804 381.05</b>
<i>Income tax</i>		
Taxes from tax audits	0.00	0.00
Special contribution tax	0.00	0.00
<b>Current income tax</b>	<b>0.00</b>	<b>0.00</b>
<i>V.A.T.</i>		
Other taxes	249 858.68	228 292.42
	20 976.41	19 702.81
<b>Current tax liabilities</b>	<b>270 835.09</b>	<b>247 995.23</b>
<b>Dividends payable</b>	<b>0.00</b>	<b>0.00</b>
<b>Total short term liabilities</b>	<b>1 529 480.31</b>	<b>1 052 376.28</b>
<b>Total liabilities</b>	<b>3 453 113.76</b>	<b>2 689 017.04</b>
<b>Total equity &amp; liabilities</b>	<b>15 863 757.38</b>	<b>15 581 834.36</b>
<i>Assets check</i>		

Representative:  
Mihail Katsibirds  
Manager

ЕЛМЕК СПОРТ  
БЪЛГАРИЯ ЕООД  
София







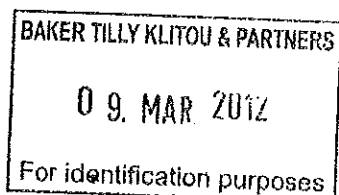
# **ELMEC ROMANIA SRL**

**Registration Number: J40/4676/19.05.1999**

**Progresului Str. 134-148, Sector 5, Bucharest**

## **ANNUAL FINANCIAL STATEMENTS**

**For the Period from 1<sup>st</sup> January 2011 up to 31<sup>st</sup> December 2011**





**BAKER TILLY**

Baker Tilly Klitou and Partners SRL  
52 Splai Independentei  
5<sup>th</sup> District  
Bucharest - Romania  
Tel: +40 21 3156100  
Fax: +40 21 3156102  
Email: info@bakertillyklitou.ro  
Website: www.bakertillyklitou.ro

### **Other auditor's conclusion report**

To the Shareholders of ELMEC ROMANIA S.R.L.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of ELMEC ROMANIA S.R.L. (the company), which comprise the balance sheet as at December 31, 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The above financial statements are prepared in accordance with IFRS.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the local Auditing Standards, which conform to International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We confirm that we have complied with International Auditing Standards in carrying out our audit and we have complied with our letter of instructions. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of ELMEC ROMANIA S.R.L. as of December 31, 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

This report is solely for the information and use of the Group auditors of FOLLI FOLLIE GROUP and should not be used for any other purposes.

### **Emphasis of matter**

We draw attention that Company incurred a net loss amounting to RON 21,926,940 during the year ended 31 December 2011, net losses for years ended to 31 December 2009 and 31 December 2010 amounting to RON 21,486,451 and that as at 31 December 2011, its total current liabilities exceeded its total current assets by RON 17,206,681. Consequently the Company is fully financially dependent on the ability and willingness of its shareholders and its bank lenders to continue its operations. Should the company be unable to continue operating, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and liabilities. These conditions indicate the existence of an uncertainty which may cast doubt as to the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

March 9, 2012

Mamas Koutsoufannis



Baker Tilly Klitou and Partners S.R.L., Romania

**Income Statement**

Statement of comprehensive income (romania)

	Notes to F/S 2011 FY	ELMEC RO- MANIA SRL 01.01. - 31.12.2011	ELMEC RO- MANIA SRL 01.01. - 31.12.2010
Total sales	5	129,595,857	148,256,401
Cost of goods	7	81,061,275	92,443,810
<b>Gross Profit</b>		<b>48,534,581</b>	<b>55,812,591</b>
Other operating income	6	3,720,370	4,127,217
Administration expenses	8,9,10	9,996,807	8,237,698
Selling expenses	8,9,10	54,273,037	54,751,499
Other operating expenses	8	7,420,848	7,168,292
<b>EBIT - Operating income</b>		<b>-19,435,740</b>	<b>-10,217,681</b>
Financial income	11.1	3,606,252	3,086,105
Financial expenses	11.2	7,931,153	5,888,147
<b>EBT - Profit before tax</b>		<b>-23,760,640</b>	<b>-13,019,723</b>
Income tax		0	32,250
Deferred Tax	12	-1,833,699	-1,195,839
<b>Profit/Loss (after the tax)</b>		<b>-21,926,940</b>	<b>-11,856,134</b>
Depreciation & amortization		6,017,112	3,305,750
<b>EBITDA - Profit before taxes depreciation &amp; amortisation</b>		<b>-13,418,628</b>	<b>-6,911,931</b>

Approved on March 9<sup>th</sup>, 2012 by:

Administrator, CEO

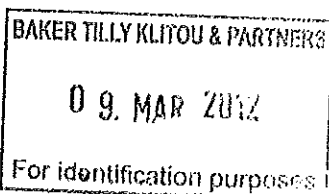
Cristian Beznoska

Financial and Operation Director

Roxana Fieresteanu



The Notes in Pages 16 to 47 form an integral part of these financial statements





ELMEC ROMANIA SRL.

Annual financial statements for the fiscal year 1/1 - 31/12/2011  
(The amounts in all tables are expressed in RON)

### Balance Sheet

	Notes to F/S 2011 FY	ELMEC ROMANIA SRL 31.12.2011	ELMEC ROMANIA SRL 31.12.2010
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible fixed assets	13	50,426,688.27	53,321,428.00
Intangible assets	14	453,208.72	567,298.00
Deferred tax claims	12.2	4,398,953.46	2,565,254.00
Other long term assets	15	101,498.42	143,569.00
<b>Total non-current</b>		<b>55,380,348.87</b>	<b>56,597,549.00</b>
<b>Current assets</b>			
Inventories	7	41,551,938.37	54,868,592.00
Trade receivables	17	5,768,007.66	9,029,763.00
Other current assets	17	2,395,674.20	2,470,986.00
Derivatives	16	276,580.00	423,390.00
Cash & cash equivalent	18	5,455,228.16	9,456,984.00
<b>Total current assets</b>		<b>55,447,428.39</b>	<b>76,249,715.00</b>
<b>TOTAL ASSETS</b>		<b>110,827,777.26</b>	<b>132,847,264.00</b>
<b>Equity &amp; Liabilities</b>			
Share capital	22	9,087,900.00	9,087,900.00
Other reserves	23	6,309,943.47	6,309,944.00
Retained earnings		22,725,821.57	44,652,762.00
<b>Total equity</b>		<b>38,123,665.04</b>	<b>60,050,606.00</b>
<b>Liabilities</b>		<b>38,123,665.04</b>	<b>60,050,606.00</b>
<b>Long-term liabilities</b>			
Total long-term provisions	12.3	50,000.00	50,000.00
<b>Total long-term liabilities</b>		<b>50,000.00</b>	<b>50,000.00</b>
<b>Short-term liabilities</b>			
Short-term borrowings	19	32,031,716.16	39,367,913.00
Trade and other payables	21	37,611,753.03	30,548,604.00
Current tax liabilities	20	3,010,640.01	2,830,141.00
<b>Total short term liabilities</b>		<b>72,654,109.20</b>	<b>72,746,658.00</b>
<b>Total liabilities</b>		<b>72,704,109.20</b>	<b>72,796,658.00</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>110,827,774.24</b>	<b>132,847,264.00</b>

Approved on March 9<sup>th</sup>, 2012 by:

Administrator, CEO

Cristian Beznoska

Financial and Operation Director

Roxana Fieresteanu

The Notes in Pages 16 to 47 form an integral part of these financial statements

BAKER TILLY KLITOU & PARTNERS  
09. MAR 2012  
For identification purposes



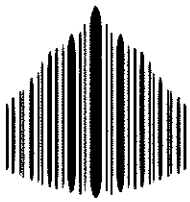
# **NORTHLANDMARK DEPARTMENT STORES S.A.**

**Registration Number: 65343/01/B/08/73**

## **ANNUAL FINANCIAL STATEMENTS**

**3<sup>rd</sup> Fiscal Year**

**For the period from 1<sup>st</sup> January 2011 up to 31<sup>st</sup> December 2011  
(3rd Fiscal Year)**



NORTHLANDMARK S.A..

Annual financial statements for the fiscal year 1/1/2011 - 31/12/2011

(The amounts in all tables are expressed in euros)

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## **Independent Auditor's Report**

### **To the Shareholders of "NORTHLANDMARK S.A."**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of "NORTHLANDMARK S.A." ("the Company"), which comprise the balance sheet as at December 31, 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



NORTHLANDMARK S.A.

Annual financial statements for the fiscal year 1/1/2011 - 31/12/2011

(The amounts in all tables are expressed in euros)

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### **Opinion**

In our opinion, the abovementioned financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

### **Report on Other Legal and Regulatory Requirements**

The Board of Directors Report is consistent with the abovementioned financial statements.

Athens, 7 March 2012

The Auditor

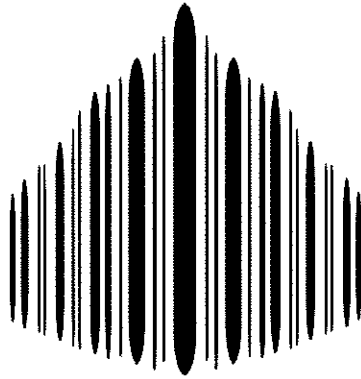
Marios Lasanianos

Soel reg. No 25101

Grant Thornton 



	<i>1/1 - 31/12/2011</i>	<i>1/1 - 31/12/2010</i>
Turnover	36.305.919	37.108.901
Cost of sales	-25.200.013	-26.036.662
<b>Gross profits</b>	<b>11.105.906</b>	<b>11.072.239</b>
Other income	748.892	777,388
Administrative expenses	-247.008	-236,946
Sale & distribution expenses	-8.216.088	-8.224.074
<b>EBITDA</b>	<b>3.391.702</b>	<b>3.388.607</b>
Depreciation & amortisation	-674.747	-649,709
<b>EBIT</b>	<b>2.716.955</b>	<b>2.738.898</b>
Financial income	145.882	62,602
Financial expenses	-925.694	-1.018.096
<b>EBT</b>	<b>1.937.143</b>	<b>1.783.404</b>
Income tax	-389.434	-574,647
<b>Net earnings</b>	<b>1.547.709</b>	<b>1.208.757</b>



**attica**  
THE DEPARTMENT STORE

## **ATTICA DEPARTMENT STORES S.A.**

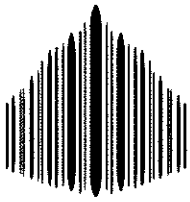
**Registration Number: 56183/01/B/04/73**

**9 Panepistimiou Ave, 10564 Athens**

**Telephone No.: +30 21096 99 360, Fax: +30 210 96 48 336**

### **ANNUAL FINANCIAL STATEMENTS**

**For the period from 1<sup>st</sup> January 2011 up to 31<sup>st</sup> December 2011**



## **Independent Auditor's Report**

### **To the Shareholders of "ATTICA DEPARTMENT STORES S.A."**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of "ATTICA DEPARTMENT STORES S.A." ("the Company"), which comprise the balance sheet as at December 31, 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### **Opinion**

In our opinion, the abovementioned financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

### **Report on Other Legal and Regulatory Requirements**

The Board of Directors Report is consistent with the abovementioned financial statements.

Athens, 12 March 2012

The Auditor

Marios Lasanianos

Soel reg. No 25101

Grant Thornton 

	Note	1/1 - 31/12/2011	1/1 - 31/12/2010
Turnover	8,9	76.784.945	90.827.919
Cost of sales	8,11	-55.027.194	-64.917.664
<b>Gross profits</b>		<b>21.757.750</b>	<b>25.910.255</b>
Other income	8,1	3.796.033	2.835.019
Administrative expenses	8,12	-2.455.387	-2.111.235
Sale & distribution expenses	8,12	-19.707.625	-21.277.765
<b>EBITDA</b>		<b>3.390.771</b>	<b>5.356.274</b>
Depreciation & amortisation	8,14	-1.145.429	-1.054.674
<b>EBIT</b>		<b>2.245.342</b>	<b>4.301.600</b>
Financial income	8,15	512.420	240,486
Financial expenses	8,15	-600.121	-907,897
<b>EBT</b>		<b>2.157.641</b>	<b>3.634.189</b>
Income tax	8,16	-494.872	-1.318.569
<b>Net earnings</b>		<b>1.662.769</b>	<b>2.315.620</b>

**31/12/2011****31/12/2010****ASSETS****Non-current assets**

Tangible fixed assets	9.835.212	10.457.638
Intangible assets	95.483	116,801
Other long term assets	41.231	0
Investments available for sale	195.000	60,363
	<u>10.166.926</u>	<u>10.634.802</u>

Inventory	27.506.250	30.737.747
Clients and other current debtors	12.820.026	13.830.584
Cash and equivalents	14.966.569	14.858.584
	<u>55.292.845</u>	<u>59.426.915</u>

**TOTAL ASSETS****65.459.771****70.061.717****EQUITY & LIABILITIES****Equity**

Share capital	5.800.000	5.800.000
Share premiums	1.016.921	896,92
Reserves	10.914.392	9.371.755
	<u>17.731.313</u>	<u>16.068.675</u>

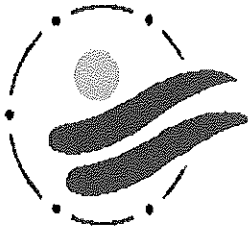
**Non-current liabilities**

Loans and financial leases	5.011	10,936
Deferred tax liabilities	113.760	260,542
Employee benefits	407.286	311,687
Provisions for additional taxes	175.000	175
Provisions	324.375	324,375
	<u>1.025.432</u>	<u>1.082.540</u>

**Current liabilities**

Loans and financial leases	5.686	47,129
Suppliers and other current creditors	44.991.367	50.908.006
Current tax liabilities	1.705.973	1.955.367
	<u>46.703.026</u>	<u>52.910.502</u>

**TOTAL EQUITY & LIABILITIES****65.459.771****70.061.717**



**Hellenic Distributions S.A.**

**Fiscal Year 2011**

## **INDEPENDENT CERTIFIED AUDITOR'S ACCOUNTANT'S REPORT**

To the Shareholders of "HELLENIC DISTRIBUTIONS S.A."

### **Report on Stand-alone and Consolidated Financial Statements**

We have audited the accompanying stand alone and consolidated financial statements of "HELLENIC DISTRIBUTIONS S.A" and its subsidiaries, which comprise the stand alone and consolidated statement of financial position as at 31 December 2011, and the stand alone and consolidated statement of comprehensive income, of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the company Stand-alone and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these stand-alone and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of stand-alone and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the stand-alone and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand-alone and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the accompanying stand-alone and consolidated financial statements present fairly, in all material respects, the financial position of the Company "HELLENIC DISTRIBUTIONS S.A." and of its subsidiaries as at December 31,2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.



## **Report on Other Legal and Regulatory Requirements**

We confirm that the information given in the Director's Report is consistent with the accompanying stand alone and consolidated financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1290.



**BAKER TILLY HELLAS**

Certified Public Accountants A.E.  
396, Mesogion Avenue  
15341 Ag.Paraskevi-Athens, Greece  
SOEL Reg.No: 148

Athens, 26 March 2012  
The Certified Public Accountant

George I. Varthalitis  
SOEL Reg.: 10251

<i>In million euro</i>	<b>01.01- 31.12.2011</b>	<b>01.01- 31.12.2010</b>
	<b>Continuing operations</b>	<b>Continuing operations</b>
Total sales	113.154,00	119.129,00
Gross Profit	67.537,00	73.615,00
<b>Operating income</b>	<b>11.641,00</b>	<b>21.958,00</b>
Profit/Loss (before the tax)	9.248,00	20.208,00
Profit/Loss (after the tax)	7.173,00	14.622,00
<b>EBITDA</b>	<b>16.099,00</b>	<b>25.811,00</b>
<b>Profit is attributable to:</b>		
<b>Shareholders of the parent company</b>	<b>7.173,00</b>	<b>14.622,00</b>
<b>Non controlling interests</b>	<b>0,00</b>	<b>0,00</b>
<b>Total</b>	<b><u>7.173,00</u></b>	<b><u>14.622,00</u></b>

*In million euro*

**GROUP**  
**31.12.2011 31.12.2010**

**ASSETS**

Property, Plants and Equipment	54.121	54.691
Investment Property	54.038	52.566
Intangible assets	0	0
Participations	1.450	1.450
Other non-current assets	2.049	2.319
Inventories	24.531	21.528
Trade Receivables	40.903	19.918
Cash and cash equivalents	6.558	15.825
Other current assets	13.058	17.898
<b>TOTAL ASSETS</b>	<b>196.708</b>	<b>186.195</b>

**EQUITY AND LIABILITIES**

Share capital	47.001	47.001
Other components of equity	40.097	31.607
<b>Total equity attributable to owners of the Parent (a)</b>	<b>87.098</b>	<b>78.608</b>
Non controlling interests (b)	0	0
<b>Total Equity (c) = (a)+(b)</b>	<b>87.098</b>	<b>78.608</b>
Long-term borrowings	63.939	69.526
Provisions / Other long terms liabilities	673	590
Short-term borrowings	12.189	6.023
Other current liabilities	32.809	31.449
<b>Total liabilities (d)</b>	<b>109.610</b>	<b>107.587</b>
<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>	<b>196.708</b>	<b>186.195</b>

# **PLANACD**

## **Financial Statements 2011**

**March, 2012**

## **INDEPENDENT CERTIFIED AUDITOR'S ACCOUNTANT'S REPORT**

To the Shareholders of "PLANACO S.A."

### **Report on Stand-alone**

We have audited the accompanying stand alone financial statements of "PLANACO S.A" which comprise the stand alone of financial position as at 31 December 2011 and the stand alone statement of comprehensive income, of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the company Stand-alone Financial Statements**

Management is responsible for the preparation and fair presentation of these stand-alone financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these stand-alone financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the stand-alone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand-alone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the accompanying stand-alone present fairly, in all material respects, the financial position of the Company "PLANACO S.A." as at December 31,2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## **Report on Other Legal and Regulatory Requirements**

We confirm that the information given in the Director's Report is consistent with the accompanying stand alone financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1290.



**BAKER TILLY HELLAS**

Certified Public Accountants A.E.  
396, Mesogion Avenue  
15341 Ag.Paraskevi-Athens, Greece  
SOEL Reg.No: 148

Athens, 27 March 2012  
The Certified Public Accountant

Cryssoula Tsakalogianni  
SOEL Reg.: 23811

	<b>1/1-31/12/2011</b>	<b>1/1-31/12/2010</b>
Total sales	901.608,84	1.300.037,34
Cost of goods	<u>-1.268.869,67</u>	<u>-1.535.732,28</u>
<b>Gross Profit</b>	<b>-367.260,83</b>	<b>-235.694,94</b>
Other operating income	85.678,02	17.162,47
Administration	-498.772,15	-590.211,04
Other expenses	-1.572,72	-116.449,02
<b>EBIT</b>	<b>-781.927,68</b>	<b>-925.192,53</b>
Finacial Income	390,45	236,33
Finacial Expenses	-216.512,35	-183.099,04
<b>EBT</b>	<b>-998.049,58</b>	<b>-1.108.055,24</b>
Taxes	0,00	-33.161,16
<b>EAT</b>	<b>-998.049,58</b>	<b>-1.141.216,40</b>
<b>EBITDA</b>	<b>-571.157,75</b>	<b>-713.656,12</b>

**Assets**

	<b>31/12/2011</b>	<b>31/12/2010</b>
<b>Non-current assets</b>		
Tangible fixed assets	7.874.765,60	7.969.148,86
Intangible assets	2.647.346,19	2.705.822,58
Other long term assets	<u>700,80</u>	<u>1.341,02</u>
<b>Total non-current</b>	<b>10.522.812,59</b>	<b>10.676.312,46</b>
<b>Current assets</b>		
Inventories	200.645,92	234.703,21
Trade receivables	540.893,57	389.526,56
Other current assets	100.349,43	555.192,53
Cash & cash equivalent	<u>32.993,34</u>	<u>159.663,46</u>
<b>Total current assets</b>	<b>874.882,26</b>	<b>1.339.085,76</b>
<b>Total assets</b>	<b><u>11.397.694,85</u></b>	<b><u>12.015.398,22</u></b>

**Equity & Liabilities****Equity of shareholders of the parent company**

Share capital	6.021.717,00	6.021.717,00
Other reserves	52.833,09	51.084,96
Retained earnings	<u>-723.021,56</u>	<u>275.029,04</u>
<b>Total equity</b>	<b>5.351.528,53</b>	<b>6.347.831,00</b>
<b>Long-term liabilities</b>		
Long-term borrowings	2.879.957,62	3.435.908,62
Deferred tax liabilities	39.500,00	37.500,00
Other long-term liabilities	<u>1.098.843,29</u>	<u>1.098.843,29</u>
<b>Total long-term liabilities</b>	<b>4.018.300,91</b>	<b>4.572.251,91</b>
Trade and other payables	1371920,17	351.399,29
Short-term borrowings	637253,5	700.952,53
Current tax liabilities	<u>18691,74</u>	<u>42.963,49</u>
<b>Total short term liabilities</b>	<b>2027865,41</b>	<b>1.095.315,31</b>
<b>Total liabilities</b>	<b>6.046.166,32</b>	<b>5.667.567,22</b>
<b>Total equity &amp; liabilities</b>	<b><u>11.397.694,85</u></b>	<b><u>12.015.398,22</u></b>



# Duty Paid Shops S.A.

## **Annual Financial Statements for 2011 and Auditor's Report**

## **INDEPENDENT CERTIFIED AUDITOR'S ACCOUNTANT'S REPORT**

To the Shareholders of "DUTY PAID SHOPS S.A."

### **Report on Stand-alone**

We have audited the accompanying stand alone financial statements of "DUTY PAID SHOPS S.A.", which comprise the stand alone financial position as at 31 December 2011, and the stand alone statement of comprehensive income, of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the company Stand-alone Financial Statements**

Management is responsible for the preparation and fair presentation of these stand-alone financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these stand-alone financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the stand-alone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand-alone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the accompanying stand-alone financial statements present fairly, in all material respects, the financial position of the Company "DUTY PAID SHOPS S.A." and of its subsidiaries as at December 31,2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## **Report on Other Legal and Regulatory Requirements**

- (a) The Director's Report includes a statement of corporate governance which contains the information required by paragraph 3d article 43a of Codified law 2190/1920.
- (b) We confirm that the information given in the Director's Report is consistent with the accompanying stand alone financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1290.



**BAKER TILLY HELLAS**

Certified Public Accountants A.E.  
396, Mesogion Avenue  
15341 Ag.Paraskevi-Athens, Greece  
SOEL Reg.No: 148

Athens, 27 March 2012  
The Certified Public Accountant

George I. Varthalitis  
SOEL Reg.: 10251

<b>ASSETS</b>	<b><u>31.12.2011</u></b>	<b><u>31.12.2010</u></b>
Other non current assets	1.630,76	1.630,76
Other current assets	11.907,09	13.872,99
Cash	467.360,92	468.753,98
<b>ASSETS</b>	<b><u>480.898,77</u></b>	<b><u>484.257,73</u></b>

**EQUITY AND LIABILITIES**

Share capital	500.000,00	500.000,00
Retained earnings	-24.301,23	-15.742,27
<b>EQUITY</b>	<b><u>475.698,77</u></b>	<b><u>484.257,73</u></b>

Other short term liabilities	5.200,00	0,00
<b>Liabilities</b>	<b>5.200,00</b>	<b>0,00</b>

<b><u>EQUITY AND LIABILITIES</u></b>	<b><u>480.898,77</u></b>	<b><u>484.257,73</u></b>
--------------------------------------	--------------------------	--------------------------

	<b><u>01.01.-</u></b>	<b><u>01.01.-</u></b>
<b>Comprehensive Income</b>	<b><u>31.12.2011</u></b>	<b><u>31.12.2010</u></b>

Total sales	0,00	0,00
Cost of goods	0,00	0,00
<b>Gross Profit</b>	<b>0,00</b>	<b>0,00</b>
Other operating income	0,00	0,00
Administration expenses	-10.533,48	-14.528,95
Selling expenses	-120,00	-360,00
<b>EBIT</b>	<b>-10.653,48</b>	<b>-14.888,95</b>
Net Financial expenses	4.670,52	2.313,24
<b>EBT</b>	<b>-5.982,96</b>	<b>-12.575,71</b>
Taxes	-2.576,00	0,00
<b>EAT</b>	<b><u>-8.558,96</u></b>	<b><u>-12.575,71</u></b>

Earnings per share	-0,86	-1,26
Depreciation	0,00	0,00
<b>EBITDA</b>	<b><u>-10.653,48</u></b>	<b><u>-14.888,95</u></b>

**MOUSTAKIS** A.E.E.

**MOUSTAKIS SA**

**Registration Number: 9868/22/B/86/9**

**24 Ag. Nikolaou st, 26221 Patra**

**Telephone No.: +30 2610243848, Fax: +30 2610243828**

**ANNUAL FINANCIAL STATEMENTS**

**For the period from 1<sup>st</sup> January 2011 up to 31<sup>st</sup> December 2011**

## **INDEPENDENT CERTIFIED AUDITOR'S ACCOUNTANT'S REPORT**

To the Shareholders of "MOUSTAKIS S.A."

### **Report on Stand-alone**

We have audited the accompanying stand alone financial statements of "MOUSTAKIS S.A" which comprise the stand alone of financial position as at 31 December 2011 and the stand alone statement of comprehensive income, of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the company Stand-alone Financial Statements**

Management is responsible for the preparation and fair presentation of these stand-alone financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these stand-alone financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the stand-alone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand-alone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the accompanying stand-alone present fairly, in all material respects, the financial position of the Company "MOUSTAKIS S.A." as at December 31,2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## **Report on Other Legal and Regulatory Requirements**

We confirm that the information given in the Director's Report is consistent with the accompanying stand alone financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1290.



**BAKER TILLY HELLAS**

Certified Public Accountants A.E.  
396, Mesogion Avenue  
15341 Ag.Paraskevi-Athens, Greece  
SOEL Reg.No: 148

Athens, 26 March 2012  
The Certified Public Accountant

Cryssoula Tsakalogianni  
SOEL Reg.: 23811

**Income statement (moustakis)**

	<i>1/1 - 31/12/2011</i>	<i>1/1 - 31/12/2010</i>
Turnover	1.200.422	1.365.569
Cost of sales	<u>(869.985)</u>	<u>(888.621)</u>
<b>Gross profits</b>	<b>330.437</b>	<b>476.948</b>
Other income	228.000	76.000
Administrative expenses	(134.075)	(37.121)
Sale & distribution expenses	<u>(290.535)</u>	<u>(304.590)</u>
<b>EBIT</b>	<b>133.827</b>	<b>211.237</b>
Financial income	977	193
Financial expenses	<u>(865)</u>	<u>(30)</u>
<b>EBT</b>	<b>133.939</b>	<b>211.400</b>
Income tax	<u>(48.894)</u>	<u>(78.026)</u>
<b>Net earnings</b>	<b>85.045</b>	<b>133.374</b>
<b>EBITDA</b>	206.851	286.313



**Balance sheet (moustakis)***31/12/2011*      *31/12/2010***ASSETS****Non-current assets**

Tangible fixed assets	150.300	208.741
Intangible assets	62.905	77.488
Investments available for sale	2.494	2.494
Deferred tax assets	22.929	21.040
Other non-current assets	16.562	16.562
	<u>255.190</u>	<u>326.325</u>

**Current assets**

Inventory	460.271	655.751
Clients and other current debtors	80.265	169.510
Cash and equivalents	134.093	113.449
	<u>674.629</u>	<u>938.710</u>

**TOTAL ASSETS****929.819**      **1.265.035****EQUITY & LIABILITIES****Equity**

Share capital	129.830	129.830
Reserves	241.080	227.597
Retained earnings	17.359	(54.203)
	<u>388.269</u>	<u>303.224</u>

**Non-current liabilities**

Other long term liabilities	38.000	
Provisions for additional taxes	15.000	15.000
	<u>53.000</u>	<u>15.000</u>

**Current liabilities**

Suppliers and other current creditors	386.293	830.146
Current tax liabilities	102.257	116.665
	<u>488.550</u>	<u>946.811</u>

**TOTAL EQUITY & LIABILITIES****929.819**      **1.265.035**



**LOGISTICS EXPRESS S.A.**

**60554/04/B/06/86**

**2011**

## **INDEPENDENT CERTIFIED AUDITOR'S ACCOUNTANT'S REPORT**

To the Shareholders of "**LOGISTICS EXPRESS S.A.**"

### **Report on Stand-alone**

We have audited the accompanying stand alone financial statements of "**LOGISTICS EXPRESS S.A.**" which comprise the stand alone of financial position as at 31 December 2011 and the stand alone statement of comprehensive income, of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the company Stand-alone Financial Statements**

Management is responsible for the preparation and fair presentation of these stand-alone financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these stand-alone financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the stand-alone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand-alone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the accompanying stand-alone present fairly, in all material respects, the financial position of the Company "**LOGISTICS EXPRESS S.A.**" as at December 31,2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## **Report on Other Legal and Regulatory Requirements**

We confirm that the information given in the Director's Report is consistent with the accompanying stand alone financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1290.



**BAKER TILLY HELLAS**

Certified Public Accountants A.E.  
396, Mesogion Avenue  
15341 Ag.Paraskevi-Athens, Greece  
SOEL Reg.No: 148

Athens, 28 March 2012  
The Certified Public Accountant

Cryssoula Tsakalogianni  
SOEL Reg.: 23811

	<i><b>1/1 - 31/12/2011</b></i>	<i><b>1/1 - 31/12/2010</b></i>
Turnover (Sales)	1.709.584	1.534.700
Cost of sales	<u>(1.060.582)</u>	<u>(919.748)</u>
<b>Gross profit</b>	<b>649.002</b>	<b>614.952</b>
Other income	161	3.214
Administrative expenses	(17.442)	(18.130)
Sales expenses	(466.879)	(424.728)
Other expenses	<u>0</u>	<u>0</u>
<b>EBIT</b>	<b>164.735</b>	<b>175.307</b>
Financial income	1.392	1.077
Financial expenses	<u>(10.204)</u>	<u>(9.691)</u>
<b>EBT</b>	<b>155.923</b>	<b>166.693</b>
Income tax	(88.245)	1.883
<b>EAT</b>	<u><b>67.678</b></u>	<u><b>168.576</b></u>
 <b>EBITDA</b>	 <u><b>173.139</b></u>	 <u><b>183.153</b></u>

	<b>31/12/2011</b>	<b>31/12/2010</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible fixed assets	7.885	975
Intangible assets	72.514	80.014
Deferred tax assets	94.019	176.641
Other non-current assets	68.808	67.208
<b>Total non current Assents</b>	<u>243.226</u>	<u>324.838</u>
<b>Current assets</b>		
Inventory	2.618.433	219.665
Trade receivables	229.298	0
Other current debtors	608.631	110.693
Cash and equivalents	381.357	110.525
	<u>3.837.719</u>	<u>440.883</u>
<b>TOTAL ASSETS</b>	<u><b>4.080.945</b></u>	<u><b>765.721</b></u>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b>		
Share capital	60.000	60.000
Retained earnings	(354.159)	(421.837)
	<u>(294.159)</u>	<u>(361.837)</u>
<b>Liabilities</b>		
<b>Long term liabilities</b>		
Other liabilities	5.622	161
	<u>5.622</u>	<u>161</u>
<b>Short term liabilities</b>		
Trade and other payables	4.369.482	1.117.714
Current tax liabilities	0	9.683
<b>Total liabilities</b>	<u>4.369.482</u>	<u>1.127.397</u>
<b>Total equity &amp; liabilities</b>	<u><b>4.080.945</b></u>	<u><b>765.721</b></u>

# ICE CUBE S.A.

**69784/04/B/10/103**

**2011**

## **INDEPENDENT CERTIFIED AUDITOR'S ACCOUNTANT'S REPORT**

To the Shareholders of "ICE CUBE S.A..."

### **Report on Stand-alone**

We have audited the accompanying stand alone financial statements of "ICE CUBE S.A.." which comprise the stand alone of financial position as at 31 December 2011 and the stand alone statement of comprehensive income, of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the company Stand-alone Financial Statements**

Management is responsible for the preparation and fair presentation of these stand-alone financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these stand-alone financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the stand-alone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand-alone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the accompanying stand-alone present fairly, in all material respects, the financial position of the Company "ICE CUBE S.A..." as at December 31,2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.



## **Report on Other Legal and Regulatory Requirements**

We confirm that the information given in the Director's Report is consistent with the accompanying stand alone financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1290.



**BAKER TILLY HELLAS**

Certified Public Accountants A.E.  
396, Mesogion Avenue  
15341 Ag.Paraskevi-Athens, Greece  
SOEL Reg.No: 148

Athens, 28 March 2012  
The Certified Public Accountant

Georgios Varthalitis  
SOEL Reg.: 10251

	<b>24/06/2010- 31/12/2011</b>
Turnover (Sales)	1.498.902
Cost of sales	(763.123)
<b>Gross profit</b>	<b>735.779</b>
Other income	330
Administrative expenses	(77.094)
Sales expenses	(666.573)
Other expenses	(101)
<b>EBIT</b>	<b>(7.659)</b>
Financial income	482
Financial expenses	(10.703)
<b>EBT</b>	<b>(17.880)</b>
Income tax	(8.962)
<b>EAT</b>	<b>(26.842)</b>
<b>EBITDA</b>	<b>112.679</b>

**31/12/2011**

**ASSETS**

**Non-current assets**

Tangible fixed assets	205.964
Intangible assets	198.438
Deferred tax assets	0
Other non-current assets	34.556
<b>Total non current Assents</b>	<u>438.958</u>

**Current assets**

Inventory	334.229
Trade receivables	1.401
Other current debtors	190.887
Cash and equivalents	218.879
	<u>745.396</u>

**TOTAL ASSETS**

**1.184.354**

**EQUITY & LIABILITIES**

**Equity**

Share capital	100.000
Retained earnings	(26.842)
	<u>73.158</u>

**Liabilities**

**Long term liabilities**

Other liabilities	8.962
	<u>8.962</u>

**Short term liabilities**

Trade and other payables	1.091.742
Current tax liabilities	10.492
	<u>1.102.234</u>

**Total liabilities**

**Total equity & liabilities**

**1.184.354**

# **COLLECTIVE PATRAS S.A.**

**70100/04/B/10/160**

**2011**

## **INDEPENDENT CERTIFIED AUDITOR'S ACCOUNTANT'S REPORT**

To the Shareholders of "**COLLECTIVE PATRAS S.A.**"

### **Report on Stand-alone**

We have audited the accompanying stand alone financial statements of "**COLLECTIVE PATRAS S.A.**" which comprise the stand alone of financial position as at 31 December 2011 and the stand alone statement of comprehensive income, of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the company Stand-alone Financial Statements**

Management is responsible for the preparation and fair presentation of these stand-alone financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these stand-alone financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the stand-alone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand-alone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the accompanying stand-alone present fairly, in all material respects, the financial position of the Company "**COLLECTIVE PATRAS S.A.**" as at December 31,2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## **Report on Other Legal and Regulatory Requirements**

We confirm that the information given in the Director's Report is consistent with the accompanying stand alone financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1290.



**BAKER TILLY HELLAS**

Certified Public Accountants A.E.  
396, Mesogion Avenue  
15341 Ag.Paraskevi-Athens, Greece  
SOEL Reg.No: 148

Athens, 27 March 2012  
The Certified Public Accountant

Cryssoula Tsakalogianni  
SOEL Reg.: 23811

	<b><i>24/09/2010- 31/12/2011</i></b>
Turnover (Sales)	3.905.814
Cost of sales	<u>(2.934.528)</u>
<b>Gross profit</b>	<b>971.286</b>
Other income	191
Administrative expenses	(42.766)
Sales expenses	(895.049)
Other expenses	<u>(154)</u>
<b>EBIT</b>	<b>33.508</b>
Financial income	764
Financial expenses	<u>(9.011)</u>
<b>EBT</b>	<b>25.261</b>
Income tax	<u>(7.328)</u>
<b>EAT</b>	<b>17.933</b>
<b>EBITDA</b>	<b>148.887</b>

**31/12/2011**

**ASSETS**

**Non-current assets**

Tangible fixed assets	363.618
Intangible assets	0
Deferred tax assets	2.299
Other non-current assets	38.860
<b>Total non current Assents</b>	<u>404.778</u>

**Current assets**

Inventory	707.112
Trade receivables	1.751.761
Other current debtors	366.524
Cash and equivalents	303.904
	<u>3.129.301</u>

**TOTAL ASSETS**

**3.534.079**

**EQUITY & LIABILITIES**

**Equity**

Share capital	1.200.000
Retained earnings	17.933
	<u>1.217.933</u>

**Liabilities**

**Long term liabilities**

Other liabilities	4.275
	<u>4.275</u>

**Short term liabilities**

Trade and other payables	2.301.241
Current tax liabilities	10.630
	<u>2.311.870</u>

**Total liabilities**

**Total equity & liabilities**

**3.534.079**



# **MFK FASHION INVESTMENT LIMITED**

**Annual Report for the year 2011**

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
MFK FASHION INVESTMENT LIMITED**

**Report on the Financial Statements**

We have audited the financial statements of MFK FASHION INVESTMENT LIMITED (the "Company") on pages 6 to 27, which comprise the statement of financial position as at 31 December 2011, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Board of Directors' Responsibility for the Financial Statements**

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of MFK FASHION INVESTMENT LIMITED as at 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with

International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of the Cyprus Companies Law, Cap. 113, we report the following:

We have obtained all the information and explanations we considered necessary for the purposes of our audit.

\*In our opinion, proper books of account have been kept by the Company.

\*The Company's financial statements are in agreement with the books of account.

\*In our opinion and to the best of the information available to us, and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.

\*In our opinion, the information given in the report of the Board of Directors on pages 2 and 3 is consistent with the financial statements.

#### **Other Matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with article 34 about auditors and audits of the Annual statements of Law 2009. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Konstantinos Kallis  
KPMG Limited  
Chartered Accountants  
Nicosia, March 2012

	<i><b>1/1 - 31/12/2011</b></i>	<i><b>1/1 - 31/12/2010</b></i>
Turnover (Sales)	988.840	912.970
Cost of sales	(360.912)	(408.897)
<b>Gross profit</b>	<b>627.928</b>	<b>504.073</b>
Other income	0	4.137
Administrative expenses	(33.704)	(29.408)
Sales expenses	(478.524)	(444.723)
Other expenses	0	(22.549)
<b>EBIT</b>	<b>115.700</b>	<b>11.530</b>
Financial income	700	857
Financial expenses	(895)	(1.459)
<b>EBT</b>	<b>115.505</b>	<b>10.928</b>
Income tax	(14.459)	(1.664)
<b>EAT</b>	<b>101.046</b>	<b>9.264</b>

	<b>31/12/2011</b>	<b>31/12/2010</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible fixed assets	157.440	165.332
Intangible assets	290.462	290.462
<b>Total non current Assents</b>	<u>447.902</u>	<u>455.794</u>
<b>Current assets</b>		
Inventory	298.939	533.453
Trade receivables	187.015	167.033
Other current debtors	0	0
Cash and equivalents	302.435	268.858
	<u>788.389</u>	<u>969.344</u>
<b>TOTAL ASSETS</b>	<b><u>1.236.291</u></b>	<b><u>1.425.138</u></b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b>		
Share capital	513.000	513.000
Retained earnings	268.674	167.628
	<u>781.674</u>	<u>680.628</u>
<b>Liabilities</b>		
<b>Long term liabilities</b>		
Other liabilities	401	561
	<u>401</u>	<u>561</u>
<b>Short term liabilities</b>		
Trade and other payables	439.246	742.424
Current tax liabilities	14.970	1.525
<b>Total liabilities</b>	<u>454.216</u>	<u>743.949</u>
<b>Total equity &amp; liabilities</b>	<b><u>1.236.291</u></b>	<b><u>1.425.138</u></b>