



# **Annual Financial Statements 2015**

# CRB SA

(company with a sole shareholder)  
Registered Office in Route du Verney 1, 1070 Puidoux  
Share Capital CHF 100'000.00  
Subject to direction and coordination by INTERCOS S.p.A.  
Company Register and Tax Code  
IDE\UID CHE-101.362.179

## Separate Financial Statements for the year ended December 31, 2015 REPORT ON OPERATIONS

To the shareholders,

CRB SA, a leading company in the manufacture of Skincare cosmetics for the most important brands worldwide, closed the year 2015 with a profit of CHF 5.635 thousand.

The year 2015 was characterized by a significant decrease in revenues compared to previous year in terms of orders received and sales in almost all geographical area.

The key highlights for the year 2015 as the following:

<i>(in CHF thousands)</i>	<b>2015</b>	<b>2014</b>	<b>Change</b>
Revenues	39'239	42'931	(3'692)
Adjusted EBITDA (1)	7'886	9'588	(1'702)
Operating profit	6'988	8'095	(1'107)
Pre-tax profit	6'695	7'583	(888)
Profit for the year	5'636	5'905	(269)

<i>(in CHF thousands)</i>	<b>12/31/2015</b>	<b>12/31/2014</b>	<b>Change</b>
Net invested capital (2)	17'556	18'209	(653)
Employee benefit obligations	11'364	10'937	427
Equity	10'614	9'178	1'436
Net financial position	(6'942)	(9'031)	2'089

<i>(in € thousands)</i>	<b>2014</b>	<b>2013</b>	<b>Change</b>
Capital expenditures	895	7'780	(6'885)
Employees (number at year-end)	103	106	(3)

- (1) Adjusted EBITDA is calculated as Profit/Loss for the year before depreciation, amortization and writedowns, impairment reversals (losses), accruals and non-recurring expenses, finance income and expenses, dividends and income taxes.
- (2) Net invested capital is calculated as (+) total non-current assets (+) inventories (+) trade receivables (+) other current assets (-) provisions (-) deferred tax liabilities (-) trade payables (-) other payables

## 1. *Reference Scenario*

### ***World Economic Overview***

The worldwide economic trend during 2015 continued with a strong growth in the Asian Countries and a quite flat trend in Europe, with a few partial accelerations, such as in the USA. Nevertheless the second half of the year was characterized by number of difficulties, as seen in the main emerging economies that were held back by a slowdown in demand and a worsening of the financial situation. In the Eurozone, despite the European Central Bank's more accommodating monetary policy, with the exception of the German economy, there are no signs of acceleration. The year 2015 for the Swiss economy started with a negative impact of the abolition of fixed exchange rate, that drove in a first moment to an exchange rate almost 1 to 1 between Euro and Swiss Franc, with a consequent increase of 20% of Swiss products price for the export. This event has originated strong uncertainties for the Swiss Companies.

In the second part of the year the exchange rate has maintained a more stable trend towards the Euro, with minimal fluctuations in the range of 1.08.

In the current global economic climate, China, despite a slowdown in GDP growth, still constitutes one of the best opportunities for growth, since consumption in the second and third level cities continues to rise. The boom in domestic consumption continues to offer significant opportunities and will change the dynamics of global competition in many sectors. The majority of foreign companies are achieving greater growth in China than in the rest of the world. The sectors of healthcare, food, clean technologies (water, solid waste, renewable energies, etc.) and transport infrastructures, as well as retail and distribution are the segments that are expected to attain the highest growth rates.

### ***Market scenario***

The year 2015 was a transformative one for the cosmetic industry worldwide with major changes redefining traditional standards. With digital advances, new technologies, trend patterns unfolding to create steady alters on the long run and media/marketing channels shifting power from brands to consumers, the market dynamic is evolving faster than ever.

In particular the biggest challenge in 2015, that will characterize also the coming years, has been the so called "asianification".

Indeed, the world is undergoing a significant economic transformation; the urbanization is growing very fast, China being at the head of this massive growth.

In fact, growth extends beyond China and the other BRICs to include the so called "Next 15." These additional 11 countries are set to drive 80 percent of emerging market growth even though they only account for 25 percent of the global GDP.

These regions include South Korea, Indonesia, Mexico, Turkey, Iran, Egypt, the Philippines, Nigeria, Pakistan, Bangladesh and Vietnam. With 60 percent of the world's population living within these countries, brands now have opportunities for growth outside the traditional established markets.

Traditional Skincare distribution has changed already in 2015 and is moving fast also towards the online market.

In terms of market segment, the Premium skincare has a strong prospect due to the expansion of many premium and pharmaceutical brands.

The **global market in the Skincare sector**, is and will remain the biggest category in the beauty and personal care market, adding 20 USD billion in 2014-2019. It expects to exceed 130 USD billion by 2019.

Analyzing the various geographical areas, Prestige skincare decreased in Europe in 2015 as prestige consumers are trading down and suffering from a macro economical situation. Generally speaking the European skincare market is almost flat, with a growth of 2%.

As regards to North America, the USA prestige beauty industry grew by 7% in the first half of 2015 compared with a 4% increase in the same period in 2014; in terms of categories, Skincare sales witnessed growth of 3% to \$2.6bn.

China has become the key growth driver for skincare and will remain the fastest growing market in the coming years, adding 12 billion USD by 2019, nearly 3 times more than the other 10 top markets combined.

Therefore China is expected to be the biggest premium market in skincare. Indeed, over 50% of the market growth in the next 5 years in prestige will be driven by China.

## 2. Significant Events in 2015 for CRB

A brief description of the significant events that took place in 2015 is as follows:

- At the end of 2014 the Company has acquired a production building, with the plans of enlarging the Filling&Assembly department, allowing also sub sequentially the enlargement of the Bulk Area. At the beginning of 2015 planned renovation activities were nevertheless stopped due the uncertainty generated by the abolition of the fix exchange rate by BNS. Discussion about the exploitation have been restarted at Year End, thanks also to a more positive Order Intake trend and more optimistic view.
- After almost one year of preparation and discussion, finally the Company has obtained, in date 31.08.2015, a partial tax exoneration as far as it concerns the Cantonal and Communal Taxes. Taxes have been reduced by 50%, retroactively to beginning of 2015 for 10 years. CRB obligation is to maintain the current number of employees for the next 10 years, invest 10 million CHF, and maintain its office in Puidoux at least 5 years more.
- During 2015, CRB repaid the debt of past years loans (2013 and 2014) to Intercos SpA for the following amounts: CHF 5.0M (loan for dividends 2013), CHF 2.2M (loan for dividends 2014).

Moreover CRB repaid the loan of 2014 for the purchase of the Building (2.5M CHF)

- Concurrently the Company received a loan from Intercos S.p.A. of €4.2 million for the payment of the 2014 Dividends.
- In 2015 it was also increase the participation of Vitalab by € 100.000, of which 60% of CRB SA.

### 3. 2014 Profit and Financial Performance

**2015 Gross Revenue** from sales and services was total CHF 39.373 thousand, declining 8.8% towards 2014.

Revenues by geographical area based on the territory of residence of the customers on the sales invoice are presented below.

*(in CHF thousands)*

	<b>2015</b>	<b>2014</b>
EMEA	27'104'583	30'081'579
USA	2'840'063	2'132'228
ASIA	9'428'514	10'949'948
<b>TOTAL</b>	<b>39'373'160</b>	<b>43'163'755</b>

In general 2015 Sales performance has been affected by a delay of reorders due to the abolition of fix exchange rate, as well by a general slowdown of some of CRB customers performance, not compensated by new customers and new projects.

Moreover, compared to prior year, the company has suffered from a loss (0.5M CHF) due to the conversion in local currency of the sales in Euros.

In terms of market segment, Prestige customers still represent ALMOST 50% of CRB sales, stable compared to Prior Year, but growing less than expected, Private Label, which represents almost 30% of the total business, is the market segment which suffered the most in 2015, with a decline of almost 30% especially on the European market, due to projects delays.

Intercompany sales have strongly increased mostly towards China, where the Made in Switzerland is quite much appreciated.

In 2015 the geographical areas show different trends in revenues:

- Asia shows a decline of 13%, strongly affected by the slowdown of the economic situation on the Hong Kong market and consequently delay of Reorders by CRB customers (-35%), partially compensated by the increase of sales to Intercos Technology (2.4M CHF vs 0.4M CHF).
- EMEA shows a negative growth of almost 10%, mainly drive by Private Label market, partially compensated by good performance of a few French customers.
- U.S.A. registered a growth of 30% for CRB, thanks to new customer's development.

**Adjusted EBITDA** is a positive CHF 7.845 thousands, decreasing towards 2014 by CHF 1.721 thousand. Nevertheless the EBITDA rate is 19.5% of Net Sales. The loss of profitability is mainly driven by the loss of sales that has generated a negative deviation in the Gross Margin, despite negotiation on purchase of raw materials and a quite flexible production organization (especially in the Filling&Assembly). Nevertheless the customer and product mix has influenced negatively the result, increasing production costs incidence due to more complex and resource consuming products.

2015 is also characterized by lower sales of Bulk (34% of total sales in 2015 towards 36%); this contributes as well to the lower margin, being the Bulk business the most profitable one for the company. Nevertheless this is as we quite a clear market trend.

Operating Expenses are almost at the same level as prior year, thanks to an active policy of cost saving.

CRB has also benefit from higher Royalties and lower Corporate Charges.

**Operating profit** is CHF 6.946 thousand, lower by CHF 1.126 thousand compared to the prior year reflecting the EBITDA trend.

**Profit** comes to CHF 5.636 thousand compared to CHF 5.905 thousand in 2014, with a profit margin of 14%, mainly thanks to the positive effect of the benefit on Taxes.

**Capital expenditures in property, plant and equipment and intangible assets** amount to CHF 829 thousand and relate mainly to the renovation of the R&D laboratories as well to the improvement of production machineries. In 2015 the Company has also invested in the development of tool for project management, in accordance with the rest of group Intercos.

**Net financial position** totals CHF 6.942 thousand compared to CHF 9.030 thousand at December 31, 2014. This is driven by the net from positive impact of lower loans Intercompany (5.5M CHF), offset by the increase of loans towards the bank for the purchase of the new building (5.0M CHF), and a positive change in the bank position (1.6M CHF).

Total **Equity** is CHF 10.614 thousand, up CHF 1.436 thousand from CHF 9.178 thousand at December 31, 2014. Over the course of 2014 the Company paid dividends totaling CHF 4.200 thousand.

**Costs for services and leases and rents** in 2014 amount to CHF 6.696 thousand compared to CHF 7.698 thousand in 2014, with an overall decrease of 1.002 thousand, including shipping expenses and commission expenses as well Corporate Charges, which are actually driving the positive deviation.

In 2015 the Company has spent more in Rent (Design Center) and saved in maintenance and consulting.

**Employee benefit expenses** in 2014 total CHF 11.364 thousand, of which CHF 6.106 thousand relates to temp work. As a percentage of revenues, employee benefit expenses are 29%, showing an increase of CHF 427 thousand versus 2014, mainly due to the enlargement of the structure supporting the Business Unit Skincare worldwide.

For purposes of commenting on the changes in financial position, a reclassified statement of financial position is presented below:

(in € thousands)	12/31/2015	12/31/2014
<b>Fixed assets</b>	<b>13,947</b>	<b>14,118</b>
Inventories	3,693	3,608
Trade receivables	7,107	8,790
Trade payables	<u>-2,739</u>	<u>-4,384</u>
<b>Trade working capital</b>	<b>22,008</b>	<b>22,133</b>
Other current receivables and payables	<u>-820</u>	<u>-40</u>
<b>Net working capital</b>	<b>21,188</b>	<b>22,093</b>
Other provisions and Non-current assets and liabilities	<u>-3,520</u>	<u>-3,734</u>
<b>Invested Capital</b>	<b><u>17,668</u></b>	<b><u>18,359</u></b>
<b>Equity</b>	<b>-10,764</b>	<b>-9,328</b>
Cash	3,901	2,259
Financial payables	-10,805	-11,290
<b>Net Financial Position</b>	<b><u>-6,904</u></b>	<b><u>-9,031</u></b>
<b>Total sources</b>	<b><u>-17,668</u></b>	<b><u>-18,359</u></b>

Fixed Assets / Invested Capital	78.94%	76.90%
Net Financial Position / Equity	64%	97%
Invested Capital / Equity	-164%	-197%
Trade Working Capital / Revenues	56.09%	51.55%
Net Working Capital / Revenues	54.00%	51.46%

Compared to 2014, working capital turnover was positively impacted by a considerable improvement in working capital management with trade receivables declining towards prior year due to better overdue management as well lower sales and inventories basically in line in both years.

Payables towards third parties have remained basically flat, despite lower sales, while Intercompany payables have decreased.



#### 4. Share Capital

The share capital at December 31, 2014 totals CHF 100.000 and consists of 200 ordinary shares of par value CHF 500 each.

There were no changes during the year as illustrated in the following table at December 31, 2014:

Shareholders	Beginning balance	Ending balance	%
Intercos S.p.A.	100.000	100.000	100.00%
<b>SHARE CAPITAL</b>	<b>100.000</b>	<b>100.000</b>	<b>100.00%</b>

A statement is made to the effect that the Company neither holds nor has purchased or sold shares of the parent during the course of the year under examination, not even through fiduciaries or trustees.

In addition, the Company neither holds nor has purchased or sold treasury shares during the course of the year under examination, not even through fiduciaries or trustees.

#### 5. Related Party Transactions

Related party transactions do not qualify as either atypical or unusual but fall under the ordinary course of the business operations of the Group companies. Such transactions, when not concluded at standard conditions or dictated by specific laws, are nevertheless carried out on an arm's length basis.

#### 6. Risk Management and Uncertainties

Financial risk management is an integral part of Intercos Europe S.p.A.'s activities.

In fact CRB SA's business operations are exposed to various types of risk: market risk (including exchange rate and interest rate risks), credit risk and liquidity risk. The Company's risk management strategy focuses on the unpredictability of the markets and aims to minimize any potential adverse effects on the results of its operation.

The coordination and monitoring of the main financial risks is centralized at the corporate offices. The risk management policies are approved, in concert with the administrative bodies, by the Finance, Administration and Control function, which writes the policies for the management of the above risks and for the use of appropriate financial instruments.

## 7. Environment and Employees

The headcount of CRB SA at December 31, 2015 is 107 compared to 104 at year-end 2014, with an increase of 3 people.

Issues related to safety in the workplace, the environment and safeguarding the environment have always been of major concern to the Intercos Group. The activities performed by the Company in these areas have ensured that over the course of the year no accidents occurred in the workplace causing serious injury to employees nor have damages to the environment been attributed to the Company.

## 8. Subsequent Events

For the year 2016 the Company expects to grow towards 2015 at least at the level on 2014, maintain its leadership position in the market segments in which it operates. The strong Order intake and the number of new projects started in the second half of the year, support the expectations. The Company expects that it will meet the budget forecasts which are basically in line with 2014.

## 9. Appropriation of the Profit for the Year

To the Shareholders,

We ask you to approve the Directors' Report on Operations for the year 2015 and the financial statements for the year ended December 31, 2015 as submitted to you, appropriating the profit for the year of CHF 5.635.993 as follows: entirely CHF 5.635.993 to the extraordinary reserve.

Puidoux, 20 March 2016

CRB SA  
On behalf of the Board of Directors



**Report of the statutory auditor**

with financial statements as of 31 December 2015 of

**CRB S.A., Puidoux**

To the General Meeting of  
**CRB S.A., Puidoux**

Lausanne, 23 March 2016  
mg/10.3

## **Report of the statutory auditor on the financial statements**

As statutory auditor, we have audited the accompanying financial statements of CRB S.A., which comprise the balance sheet, income statement, cash flow statement and notes, for the year ended 31 December 2015.

### **Board of Directors' responsibility**

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for 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 Swiss law and Swiss Auditing Standards. Those standards require that we 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 the internal control system relevant to the entity's preparation 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 system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, 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 for the year ended 31 December 2015 comply with Swiss law and the company's articles of incorporation.

### **Other matter**

The prior year financial statements were subject to a limited statutory examination.

## Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

During our audit performed in accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we noted that an internal control system for the preparation of financial statements, designed in accordance with the instructions of the Board of Directors, has not been documented in all material respects.


In our opinion, the internal control system is not in accordance with Swiss law and accordingly we are unable to confirm the existence of the internal control system for the preparation of the financial statements.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd



Pierre Delaloye  
Licensed audit expert  
(Auditor in charge)



Alexandre Volet  
Licensed audit expert

### Enclosures

- ▶ Financial statements (balance sheet, income statement, cash flow statement and notes)
- ▶ Proposed appropriation of available earnings

## Balance Sheet

CRB SA, Puidoux

Assets	Notes	31.12.2015	%	31.12.2014	%	Gap	%
		CHF		CHF		CHF	
<b>Current assets</b>							
Cash and cash equivalents		3'901'178	13.9	2'259'176	8.0	1'642'002	72.7
Trade receivables	2.a.	6'284'408	22.5	8'007'573	28.3	-1'723'164	-21.5
Other current receivables	2.b.	739'494	2.6	732'857	2.6	6'637	0.9
Inventories		2'463'051	8.8	2'406'328	8.5	56'722	2.4
Accrued income and prepaid expenses	2.c.	649'116	2.3	757'766	2.7	-108'650	-14.3
<b>CURRENT ASSETS</b>		<b>14'037'247</b>	<b>50.2</b>	<b>14'163'700</b>	<b>50.1</b>	<b>-126'452.92</b>	<b>-0.9</b>
<b>Non-current Assets</b>							
Financial assets		120'800	0.4	120'800	0.4	-	-
Shareholding	4.	607'832	2.2	541'424	1.9	66'408	12.3
Tangible assets - Facilities and equipment		1'579'564	5.6	1'914'324	6.8	-334'760	-17.5
Tangible assets - Land and buildings		11'486'521	41.0	11'541'788	40.8	-55'267	-0.5
Intangible assets		151'912	0.5	-	-	151'912	
<b>NON-CURRENT ASSETS</b>		<b>13'946'629</b>	<b>49.8</b>	<b>14'118'336</b>	<b>49.9</b>	<b>-171'707</b>	<b>-1.2</b>
<b>ASSETS</b>		<b>27'983'876</b>	<b>100.0</b>	<b>28'282'036</b>	<b>100.0</b>	<b>-298'159.86</b>	<b>-1.1</b>
<b>LIABILITIES AND EQUITY</b>							
		CHF		CHF		CHF	
Trade payables	2.d.	2'738'875	9.8	4'384'220	15.5	-1'645'345	-37.5
Current liabilities (Interest bearing)		497'748	1.8	220'000	0.8	277'748	126.2
Advances from customers		1'364'454	4.9	772'503	2.7	591'951	76.6
Deferred income and accrued liabilities		1'527'208	5.5	1'649'051	5.8	-121'843	-7.4
<b>Current liabilities</b>		<b>6'128'284</b>	<b>21.9</b>	<b>7'025'774</b>	<b>24.8</b>	<b>-897'490</b>	<b>-12.8</b>
Non-current liabilities (Interest bearing)	2.e.	10'207'336	36.5	10'970'000	38.8	-762'664	-7.0
Other non-current liabilities	2.f.	100'000	0.4	100'000	0.4	-	-
Provisions		784'000	2.8	858'000	3.0	-74'000	-8.6
<b>Non-current liabilities</b>		<b>11'091'336</b>	<b>39.6</b>	<b>11'928'000</b>	<b>42.2</b>	<b>-836'664</b>	<b>-7.0</b>
<b>LIABILITIES</b>		<b>17'219'621</b>	<b>61.5</b>	<b>18'953'774</b>	<b>67.0</b>	<b>-1'734'153.11</b>	<b>-9.1</b>
<b>Equity</b>							
Share capital		100'000	0.4	100'000	0.4	-	-
Legal reserve		50'000	0.2	50'000	0.2	-	-
Retained earnings		4'978'262		3'273'638		1'704'624	
Profit of the year		5'635'993		5'904'624		-268'631	
<b>Available earnings</b>		<b>10'614'256</b>	<b>37.9</b>	<b>9'178'262</b>	<b>32.5</b>	<b>1'435'993</b>	<b>15.6</b>
<b>EQUITY</b>		<b>10'764'256</b>	<b>38.5</b>	<b>9'328'262</b>	<b>33.0</b>	<b>1'435'993</b>	<b>15.4</b>
<b>LIABILITIES AND EQUITY</b>		<b>27'983'876</b>	<b>100.0</b>	<b>28'282'036</b>	<b>100.0</b>	<b>-298'159.86</b>	<b>-1.1</b>

## Income statement

CRB SA, Puidoux

Title	Notes	31.12.2015	%	31.12.2014	%	Gap	%
		CHF		CHF		CHF	
Revenue from sales of products manufactured		37'244'512	92.8	41'151'552	94.1	-3'907'041	-1.3
Revenue from sales of services		2'278'077	5.7	1'821'291	4.2	456'786	1.5
Other revenue - Royalties		1'056'639	2.6	556'224	1.3	500'415	1.4
Variation in inventories of finished products and semi-finished		-160'367	-0.4	265'458	0.6	-425'824	-1.0
Rebates on sales		-283'806	-0.7	-41'988	-0.1	-241'818	-0.6
<b>NET SALES</b>		<b>40'135'054</b>	<b>100.0</b>	<b>43'752'537</b>	<b>100.0</b>	<b>-3'617'483</b>	<b>-</b>
Material and merchandise expense		-12'002'266	-29.9	-13'807'740	-31.6	1'805'475	1.7
Transport costs		-1'429'402	-3.6	-1'526'795	-3.5	97'393	-0.1
Direct costs		-5'204'362	-13.0	-4'922'517	-11.3	-281'845	-1.7
<b>Direct expenses</b>		<b>-18'636'029</b>	<b>-46.4</b>	<b>-20'257'052</b>	<b>-46.3</b>	<b>1'621'023</b>	<b>-0.1</b>
<b>GROSS PROFIT I</b>		<b>21'499'025</b>	<b>53.6</b>	<b>23'495'485</b>	<b>53.7</b>	<b>-1'996'460</b>	<b>-0.1</b>
Indirect wages and salaries		-7'288'158	-18.2	-7'179'112	-16.4	-109'046	-1.8
<b>GROSS PROFIT II</b>		<b>14'210'867</b>	<b>35.4</b>	<b>16'316'373</b>	<b>37.3</b>	<b>-2'105'506</b>	<b>-1.9</b>
General expenses		-6'365'459	-15.9	-6'749'440	-15.4	383'981	-0.4
<b>Operating profit (EBITDA)</b>		<b>7'845'408</b>	<b>19.5</b>	<b>9'566'933</b>	<b>21.9</b>	<b>-1'721'525</b>	<b>-2.3</b>
Total amortization and depreciation		-1'067'050	-2.7	-1'063'532	-2.4	-3'519	-0.2
Variation des provisions		168'571	0.4	-430'000	-1.0	598'571	1.4
<b>Operating profit (EBIT)</b>		<b>6'946'929</b>	<b>17.3</b>	<b>8'073'401</b>	<b>18.5</b>	<b>-1'126'472</b>	<b>-1.1</b>
Financial cost		-292'876	-0.7	-380'518	-0.9	87'642	0.1
Financial income		63	0.0	-2'691	-0.0	2'754	0.0
<b>Operating profit (EBT I)</b>		<b>6'654'117</b>	<b>16.6</b>	<b>7'690'193</b>	<b>17.6</b>	<b>-1'036'076</b>	<b>-1.0</b>
Extraordinary costs / income	8.	-	-	-128'200	-0.3	128'200	0.3
<b>Profit before tax (EBT II)</b>		<b>6'654'117</b>	<b>16.6</b>	<b>7'561'993</b>	<b>17.3</b>	<b>-907'876</b>	<b>-0.7</b>
Taxes		-1'018'124	-2.5	-1'657'369	-3.8	639'245	1.3
<b>Profit of the year</b>		<b>5'635'993</b>	<b>14.0</b>	<b>5'904'624</b>	<b>13.5</b>	<b>-268'631</b>	<b>0.5</b>

## Cash flow statement

CRB SA, Puidoux

Title	2015	%
	CHF	
Profit of the year	<b>5'635'993</b>	
Amortization and depreciation	1'067'050	
Variation of provisions	-74'000	
Variation of trade receivables	1'723'164	
Variation of other receivables	-6'637	
Variations of inventories	-56'722	
Variation of accrued income and prepaid expenses	108'650	
Variation of trade payables	-1'645'345	
Variation of short term payables	277'748	
Variation of advances and other short term payables	591'951	
Variation of accrued liabilities	-121'843	
Cash flow from operating activities	<b>7'500'009</b>	456.8
Investments in financial assets	-	
Divestments in financial assets	-	
Investments in participations	-66'408	
Divestments in participations	-	
Investments in tangible assets	-607'531	
Divestments in tangible assets	-	
Investment in intangible assets	-221'405	
Divestment in intangible assets	-	
Cash flow from investing activity	<b>-895'343</b>	-54.5
Variation of non-current liabilities (Interest bearing)	-4'962'664	
Variation of other non-current liabilities	-	
Dividends paid	-	
Payments from capital increase	-	
Cash flow from financing activities	<b>-4'962'664</b>	-302.2
<b>NET VARIATION OF CASH AND CASH EQUIVALENT</b>	<b>1'642'002</b>	<b>100.0</b>
Net cash as of 1. January	2'259'176	
Net cash as of 31. December	3'901'178	
<b>NET VARIATION OF CASH AND CASH EQUIVALENT</b>	<b>1'642'002</b>	



### 1. Information on the principles used in the annual statements

These financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957 – 963b Swiss Code of Obligations (CO). These financial statements are the first application of the new accounting law. The presentation of the figures for the previous year was adjusted.

The following principles were used in the financial statements :

#### *Trade receivables*

Trade receivables are valued at nominal value and converted into Swiss Franc at closing rates fixed by the group. A provision for bad debts is calculated following the rules determined by law : 5% for swiss customers, 10% for foreign customers and 100% for known risks.

#### *Inventories*

Inventories are valued at purchase price.

The purchase price of the goods are determined by the tracking method of inventories at weighted average cost. The actual cost of good is determined by the tracking method of inventories at standard cost.

Upon delivery of goods, benefits realization occurs during the transfer to the buyer of the profits and risks related to the ownership thereof. The transfer of benefit and risk is determined by international trade clauses underlying the operation (Incoterms).

A provision for inventory writedowns is calculated following the rules determined by law : 1/3 of the inventory.

#### *Shareholding*

Shareholdings are valued at acquisition cost.

#### *Tangible and Intangible assets :*

Tangible and intangible assets are amortized indirectly. Depreciation is calculated using the declining balance method. Possible immediate depreciation are made within the tax limits allowed by decision of the Board.

<b>2. Information and comments on specific positions of the balance sheet and P&amp;L</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>CHF</b>	<b>CHF</b>
a. Trade receivables		
from third parties	5'641'033	8'223'582
from group companies and shareholders	1'271'254	566'657
Correction value	-627'879	-782'666
<i>Total of trade receivables</i>	<i>6'284'408</i>	<i>8'007'573</i>
b. Other short-term receivables		
from third parties	544'463	732'857
from participations	195'031	-
<i>Total of other short-term receivables</i>	<i>739'494</i>	<i>732'857</i>
c. Accrued income and prepaid expenses		
from third parties	419'120	593'135
from group companies and shareholders	229'996	164'631
<i>Total of other short-term receivables</i>	<i>649'116</i>	<i>757'766</i>
d. Trade payables		
to third parties	1'933'703	2'183'935
to group companies and shareholders	805'172	2'200'286
<i>Total of trade payables</i>	<i>2'738'875</i>	<i>4'384'220</i>
e. Non-current liabilities bearing interests		
to third parties	8'207'336	3'470'000
to group companies and shareholders	2'000'000	7'500'000
<i>Total of non-current liabilities bearing interests</i>	<i>10'207'336</i>	<i>10'970'000</i>
f. Other non-current liabilities		
to group companies and shareholders	100'000	100'000
<i>Total of other non-current liabilities</i>	<i>100'000</i>	<i>100'000</i>

## Notes

## CRB SA, Puidoux

## 4. Shares and interetes in other companies

Company, legal form and registered office	31.12.2015		31.12.2014	
	Share capital	Share of voting rights	Share capital	Share of voting rights
Vitalab SRL, Milano	EUR 805'260	60%	EUR 705'333	60%
Share capital directly hold by CRB SA (60%):	EUR 483'260		EUR 423'200	
CRB Benelux BV, Maastricht	EUR 18'000	100%	EUR 18'000	100%
Share capital directly hold by CRB SA (100%) :	EUR 18'000		EUR 18'000	

## 5. Total amount of guarantees provided to third parties

	31.12.2015	31.12.2014
	CHF	CHF
Guarantee in favor of the Federal Customs Administration	40'800	40'800
Rental guarantee in favor of Four Ever Immobilier SA	80'000	80'000

## 6. Total assets pledged as collateral for business debts or subject to reservation of title

	31.12.2015	31.12.2014
Mortgage notes in 1st row pledged at UBS	3'530'000	3'530'000
Mortgage notes in 1st row pledged at BCV	2'590'000	2'590'000
Mortgage notes in 1st row pledged at BCV	5'500'000	-
Book value of assets subject to a mortgage	10'628'394	10'683'660

## 7. Financial commitments and leases

	31.12.2015	31.12.2014
Rentals	539'992	793'624
Leases	38'045	-

CRB SA is entered as additional guarantor in the credit facilities of EUR 80'000'000.- agreed between Intercos Spa as original borrower an guarantor, Intercos Europe Spa as original borrower and guarantor, Banca IMI Spa as Arranger, Agent, Security and original lender, and Banca Unicredit Spa as arranger and original lender.

## 8. Explanation of extraordinary cost / income

Provision for extraordinary bonus	-	-193'000
Total of extraordinary cost	-	-193'000
Adjustment of shareholding Vitalab	-	64'800
Total of extraordinary income	-	64'800
Total income resulting from extraordinary income and cost	-	-128'200

## 9. Maturity of long-term interest-bearing debts

Expiring within 1 to 5 years	4'574'776	8'600'000
Expiring within more than 5 years	5'632'560	2'370'000
Total of long-term interest-bearing debts	10'207'336	10'970'000

## 10. Fees paid to the auditors

Fees for auditing services	36'000	32'000
Fees for other services	-	-

## 12. Significant events after balance sheet date

All material elements known at the closing of accounts were considered. At the date of preparation of these financial statements, no new event that could affect the financial position of the company has occurred.

Title	2015	2014
<b>At the disposal of the general meeting:</b>		
Retained earnings	4'978'262	3'273'638
Profit of the year	5'635'993	5'904'624
<i>Available earnings</i>	10'614'256	9'178'262
<b>Proposal of the Board:</b>		
Available earnings	10'614'256	9'178'262
./. Dividends payables	-5'600'000	-4'200'000
<b>Solde à reporter</b>	<b>5'014'256</b>	<b>4'978'262</b>

The general reserve has reached 50% of the share capital. No additional attribution is required.