



Annual Financial Statements

2016

CRB SA

Address : Route du Verney 1, CH-1070 Puidoux , Switzerland

Company reg. (IDE) : CHE-101.362.179

VAT Nr CHE-101.362.179 VAT

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, 2016 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 2016 with a profit of CHF 4.971 thousand.

The key highlights for the year 2016 as the following:

<i>(in CHF thousands)</i>	2016	2015	Change
Revenues	39'458	40'135	-677
Adjusted EBITDA (1)	6'979	7'845	-867
Operating profit	5'495	6'654	-1'159
Pre-tax profit	5'790	6'654	-864
Profit for the year	4'971	5'636	-665

<i>(in CHF thousands)</i>	12/31/2016	12/31/2015	Change
Net invested capital (2)	11'946	17'668	-5'722
Equity	10'135	10'764	-629
Net financial position	-1'264	-6'942	5'678

<i>(in CHF thousands)</i>	2016	2015	Change
Capital expenditures	-841	-895	55
Employees (number at year-end)	104	103	1

- (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 moderate growth of the world economy has continued throughout 2016. Neither the volatility on international financial markets at the beginning of the year nor the Brexit referendums in the summer were able to permanently slow the overall pace of expansion.

After a disappointing first half of the year, growth in the USA turned out to be surprisingly high in the third quarter. Along with the ongoing positive development of private household consumption, this growth was largely generated by foreign trade.

The Euro area continued its moderate recovery in the third quarter (+0.3%), supported by private and public-sector consumption in particular. Given the current expansionary monetary policy, domestic demand can be expected to generate substantial momentum for growth in the Euro area over the next two years as well.

GDP in China increased by 6.7% in each of the first three quarters of 2016 (real growth as compared to the same periods in the previous year). This has eased concerns that the world's second-largest economy might experience a hard landing. In the third quarter, GDP growth was supported by the service sector, which thus offset the somewhat less dynamic development of the industrial sector. In view of the structural transformation the Chinese economy is undergoing, the Expert Group continues to anticipate that the pace of growth in China will gradually slow over the next few years. The economic situation is mixed in other important emerging markets. Several indicators in Russia point to an end of the sharp economic downturn in that country, for example, while Brazil remains in a deep recession.

In all the zones, world economic has shown a significant favorable evolution in the last months of the year. In particular in the fourth quarter 2016, almost all economic regions, from Eurozone to China and Japan, show a growth rate that has been encouraging.

In particular Great Britain economy has shown a strong performance.

As far as Swiss Economy is concerned, after displaying positive development over several quarters, Switzerland's GDP nearly stagnated in the third quarter of 2016. However, preliminary indicators now point to a renewed pick-up in growth, and the global economy is expected to continue generating momentum. The Expert Group therefore maintains its previous assessment and anticipates a GDP growth of 1.5% for full-year 2016. It expects to see a modest acceleration of GDP growth to 1.8% in 2017 and 1.9% in 2018, driven by both domestic demand and foreign trade. The economic outlook thus remains positive, even if the "Swiss franc shock" will likely continue to have some impact on the economy.

Here, domestic demand would likely prove to be an important driver of economic growth.

Compared historically, foreign trade can be expected to make a well above-average contribution to GDP growth in 2016, primarily driven by strong growth in chemical and pharmaceutical exports. Export growth should return to normal levels over the next few years.

Market scenario

The year 2016 continues to be a transformative year 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 2016, 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 2016 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.

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 2016 for CRB

A brief description of the significant events that took place in 2016 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. Nevertheless in 2016 it has been finally decided to change strategy for CRB and at group level, orienting group investments mostly versus growing regions in Asia (Korea). Based on this, Building purchased in 2014 has been sold with the realization of a gain of 290.000 CHF.

Company strategy for coming years is still under discussion.

In the meanwhile some renovation works in the existing F&A area have taken place.

- In the second half of the year, the Company has experience a quite significant organizational change. GM Simone Gibertoni has decided to leave the company as well Intercos group. He has been immediately replaced by Alessandro Recupero, from Intercos, who is based in the Group's headquarters.

The change at the direction, together with new Corporate guidelines have brought some organizational changes: a few Business Unit functions have been transferred to Italy.

3. 2016 Profit and Financial Performance

2016 Gross Revenue from sales and services was total CHF 39.249 thousand, basically flat towards 2015.

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

(in CHF thousands)

	2016	2015	Change
EMEA	29'796'789	26'839'146	2'957'644
USA	2'290'897	2'840'063	-549'167
ASIA	7'161'380	9'694'164	-2'532'784
TOTAL	39'249'066	39'373'373	-124'307

In general 2016 Sales performance has been affected by a slowdown in the Asian market by 26%. This deviation is strongly impacting due the fact that the Asian Region represents almost 20% of total sales of the Company. This deviation is compensated by the over performance of EMEA (+11%).

In particular:

- Asia overall shows a decline of 26% vs PY, strongly affected by the slowdown of the economic situation of the Hong Kong market as well negative performance of one of CRB main customers, SaSa, who had built too much stock at the end of 2015. This caused a significant slowdown of Reorders. This negative impact was partially compensated on the HK market by another Customer's over performance (Colourmix).

The negative trend is also driven by the miss of Intercompany sales towards Intercos Technology in China, due to Gialen missing orders.

- EMEA shows a positive growth of 11% thanks mostly to France and UK markets, compensating for delays on the local market.
- U.S.A. registered a decline of 19% due to missing reorders vs a a strong 2015 performance driven by new projects..

In terms of market segment, Prestige customers still represent almost 50% of CRB sales, stable compared to Prior Year, Private Label represents in 2016 almost 35% of the total business, growing significantly vs Prior Year, thanks to France and UK markets. Direct Sales shows a decline driven by HK and CH markets.

Total Sales moreover are affected by lower Royalties invoicing, mainly to China, due to a change in calculation policy as per Corporate guidelines.

For this reason, total Net Sales is shown lower than Prior Year: 39.458 thousands vs 40.135 thousands.

Costs for Materials raised in 2016 compared to Prior Year, despite active negotiations with suppliers. This is driven by projects and customers mix.

Costs for services and leases and rents in 2016 amount to CHF 6.379 thousand compared to CHF 6.365 thousand in 2015, stick flat towards Prior Year, thanks to an active cost control policy.

Employee benefit expenses in 2016 total CHF 11.761 thousand, of which CHF 2.216 thousand relates to temp work in production area. As a percentage of revenues, employee benefit expenses are 30% of Turnover.

Production Personnel costs have been lower in 2016 vs 2015 both in % and absolute terms.

Personnel Opex are higher than Prior Year by 230 thousand, despite organizational changes.

Operating Expenses are slightly higher than Prior Year, due reorganization. Higher personnel costs do not compensate for saving generated by 2016 exits.

Adjusted EBITDA is a positive CHF 6.979 thousands, decreasing towards 2015 by CHF 865 thousand. EBITDA rate is 18% of Net Sales. The loss of profitability vs Prior Year is mainly driven by customer and project mix that have impacted Gross Margin, despite negotiation on purchase of raw materials and a quite flexible production organization (especially in the Filling&Assembly) and Opex control.

2016 Sales mix has also influenced the results: lower sales of Bulk (29% of total sales in 2015 towards 34%) contribute as well to the lower margin, being the Bulk business the most profitable one for the company.

Operating profit is CHF 5.495 thousand, lower by CHF 1.159 thousand compared to the prior year reflecting the EBITDA trend.

Profit comes to CHF 4.971 thousand compared to CHF 5.636 thousand in 2015, with a profit margin of 12%, also thanks to the positive impact of the sale of the building (290.000 CHF).

Capital expenditures in property, plant and equipment and intangible assets amount to CHF 841 thousand and relate mainly to the purchase of new production machinery as well to the improvement of existing machines. There was also an investment in the refurbishment of the F&A area. Finally the company, continues to invest in Project Management tool as well other tools supporting Sales and dMarketing activities.

Net financial position totals CHF 1.264 thousand compared to CHF 6.942 thousand at December 31, 2015. This is driven by the net from positive impact of lower loans Intercompany and towards the bank, due also the reimbursement of a UBS loan. Thanks to the sales of the building the year closed with high cash in Bank, after liquidating all intercompany positions towards the Corporate.

Total **Equity** is CHF 10.135 thousand, down CHF 629 thousand from CHF 10.764 thousand at December 31, 2015. Over the course of 2016 the Company paid dividends totaling CHF 5.600 thousand.

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

<i>(in CHF thousands)</i>	2016	2015	Change
Fixed assets	8'081	13'947	-5'866
Inventories	3'951	3'693	257
Trade receivables	7'248	6'911	337
Trade payables	-3'364	-2'739	-625
Trade working capital	7'834	7'865	-30
Other current receivables and payables	-1'260	-1'501	241
Net working capital	14'656	20'310	-5'655
Other provisions and Non-current assets and liabilities	-2'809	-2'742	-67
Invested Capital	11'846	17'568	-5'722
Equity	-10'135	-10'764	629
Cash	4'691	3'901	790
Financial payables	-6'403	-10'705	4'302
Net Financial Position	-1'711	-6'804	5'093
Total sources	-11'846	-17'568	5'722

Fixed Assets / Invested Capital	68%	79%
Net Financial Position / Equity	17%	63%
Invested Capital / Equity	-117%	-163%
Trade Working Capital / Revenues	20%	20%
Net Working Capital / Revenues	37%	51%

Compared to 2015, working capital turnover rate was flat, impacted by better payable performance and stable inventory, compensating for higher Trade Receivables.

4. Share Capital

The share capital at December 31, 2016 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, 2015:

Shareholders	Beginning balance	Ending balance	%
Intercos S.p.A.	100.000	100.000	100.00%
SHARE CAPITAL	100.000	100.000	100.00%

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.

No changes on Company shares versus December 31, 2015:

31.12.2016

Company, legal form and registered office

Vitalab SRL, Milano

Share capital directly hold by CRB SA (60%):

CRB Benelux BV, Maastricht

Share capital directly hold by CRB SA (100%) :

Share capital	Share of voting rights
EUR 160'060	75%
EUR 120'060	
EUR 18'000	100%
EUR 18'000	

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, 2016 is 104 compared to 103 at year-end 2015, with an increase of 1 headcount.

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

Order Entry in the last months of 2016 has been strong and promising.

An important order for delivery in the first months of the year has been registered for the customer Douglas/Nocibe.

For the year 2017 the Company expects to grow towards 2017, thanks to the recover of HK market as well a continuous strong growth of EMEA.

9. Appropriation of the Profit for the Year

To the Shareholders,

We ask you to approve the Directors' Report on Operations for the year 2016 and the financial statements for the year ended December 31, 20156 as submitted to you, appropriating the profit for the year of CHF 4.970.881 as follows: 4.900.000 dividends distribution, 70.881 to the extraordinary reserve.

Puidoux, 20 March 2017

CRB SA
On behalf of the Board of Directors



Report of the statutory auditor

with financial statements as of 31 December 2016 of

CRB S.A., Puidoux

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

Lausanne, 9 March 2017
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 2016.

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 2016 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)



Pascal Tréhan
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	31.12.2016	%	31.12.2015	%	Gap	%
		CHF		CHF		CHF	
Current assets							
Cash and cash equivalents		4,691,446	19.8	3,901,178	13.9	790,268	20.3
Trade receivables	2.a.	6,635,320	28.1	6,284,408	22.5	350,912	5.6
Other current receivables	2.b.	781,391	3.3	739,494	2.6	41,896	5.7
Inventories		2,634,545	11.1	2,463,051	8.8	171,494	7.0
Accrued income and prepaid expenses	2.c.	820,098	3.5	649,116	2.3	170,982	26.3
CURRENT ASSETS		15,562,799	65.8	14,037,247	50.2	1,525,552	10.9
Non-current Assets							
Financial assets		120,800	0.5	120,800	0.4	-	-
Shareholding	4.	607,832	2.6	607,832	2.2	-	-
Tangible assets - Facilities and equipment		1,595,471	6.7	1,579,564	5.6	15,907	1.0
Tangible assets - Land and buildings		5,596,792	23.7	11,486,521	41.0	-5,889,730	-51.3
Intangible assets		160,213	0.7	151,912	0.5	8,302	5.5
NON-CURRENT ASSETS		8,081,108	34.2	13,946,629	49.8	-5,865,521	-42.1
ASSETS		23,643,907	100.0	27,983,876	100.0	-4,339,969	-15.5
LIABILITIES AND EQUITY							
		31.12.2016	%	31.12.2015	%	Gap	%
		CHF		CHF		CHF	
Trade payables	2.d.	3,364,045	14.2	2,738,875	9.8	625,170	22.8
Current liabilities (Interest bearing)		382,305	1.6	497,748	1.8	-115,443	-23.2
Advances from customers		1,183,308	5.0	1,364,454	4.9	-181,146	-13.3
Deferred income and accrued liabilities		1,676,638	7.1	1,527,208	5.5	149,431	9.8
Current liabilities		6,606,296	27.9	6,128,284	21.9	478,012	7.8
Non-current liabilities (Interest bearing)	2.e.	6,020,474	25.5	10,207,336	36.5	-4,186,863	-41.0
Other non-current liabilities	2.f.	100,000	0.4	100,000	0.4	-	-
Provisions		782,000	3.3	784,000	2.8	-2,000	-0.3
Non-current liabilities		6,902,474	29.2	11,091,336	39.6	-4,188,863	-37.8
LIABILITIES		13,508,770	57.1	17,219,621	61.5	-3,710,850	-21.6
Equity							
Share capital		100,000	0.4	100,000	0.4	-	-
Legal reserve		50,000	0.2	50,000	0.2	-	-
Retained earnings		5,014,256		4,978,262		35,993	
Profit of the year		4,970,881		5,635,993		-665,112	
Available earnings		9,985,137	42.2	10,614,256	37.9	-629,119	-5.9
EQUITY		10,135,137	42.9	10,764,256	38.5	-629,119	-5.8
LIABILITIES AND EQUITY		23,643,907	100.0	27,983,876	100.0	-4,339,969	-15.5

Income statement

CRB SA, Puidoux

Title	Notes	31.12.2016	%	31.12.2015	%	Gap	%
		CHF		CHF		CHF	
Revenue from sales of products manufactured		37,649,953	95.4	37,244,512	92.8	405,441	2.6
Revenue from sales of services		1,599,114	4.1	2,278,077	5.7	-678,963	-1.6
Other revenue - Royalties		540,057	1.4	1,056,639	2.6	-516,582	-1.3
Variation in inventories of finished products and semi-finished		-183,807	-0.5	-160,367	-0.4	-23,440	-0.1
Rebates on sales		-147,164	-0.4	-283,806	-0.7	136,642	0.3
NET SALES		39,458,152	100.0	40,135,054	100.0	-676,902	-
Material and merchandise expense		-13,122,994	-33.3	-12,002,266	-29.9	-1,120,728	-3.4
Transport costs		-1,215,788	-3.1	-1,429,402	-3.6	213,614	0.5
Direct costs		-4,242,542	-10.8	-5,204,362	-13.0	961,820	2.2
Direct expenses		-18,581,323	-47.1	-18,636,029	-46.4	54,706	-0.7
GROSS PROFIT I		20,876,829	52.9	21,499,025	53.6	-622,196	-0.7
Indirect wages and salaries		-7,518,932	-19.1	-7,288,158	-18.2	-230,774	-0.9
GROSS PROFIT II		13,357,897	33.9	14,210,867	35.4	-852,970	-1.6
General expenses		-6,379,231	-16.2	-6,365,459	-15.9	-13,772	-0.3
Operating profit (EBITDA)		6,978,667	17.7	7,845,408	19.5	-866,742	-1.9
Total amortization and depreciation		-919,144	-2.3	-1,067,050	-2.7	147,907	0.3
Variation des provisions		-201,364	-0.5	168,571	0.4	-369,935	-0.9
Operating profit (EBIT)		5,858,159	14.8	6,946,929	17.3	-1,088,770	-2.5
Financial cost		-362,896	-0.9	-292,876	-0.7	-70,020	-0.2
Financial income		11	0.0	63	0.0	-52	-0.0
Operating profit (EBT I)		5,495,274	13.9	6,654,117	16.6	-1,158,843	-2.7
Extraordinary costs / income	8.	295,000	0.7	-	-	295,000	0.7
Profit before tax (EBT II)		5,790,274	14.7	6,654,117	16.6	-863,843	-1.9
Taxes		-819,393	-2.1	-1,018,124	-2.5	198,731	0.5
Profit of the year		4,970,881	12.6	5,635,993	14.0	-665,112	-1.4

Cash flow statement

CRB SA, Puidoux

Title	2016	%	2015	%	Gap	%
	CHF		CHF		CHF	
Profit of the year	4,970,881		5,635,993		-665,112	
Amortization and depreciation	919,144		1,067,050		-147,907	
Variation of provisions	-2,000		-74,000		72,000	
Variation of trade receivables	-350,912		1,723,164		-2,074,076	
Variation of other receivables	-41,896		-6,637		-35,259	
Variations of inventories	-171,494		-56,722		-114,772	
Variation of accrued income and prepaid expenses	-170,982		108,650		-279,632	
Variation of trade payables	625,170		-1,645,345		2,270,515	
Variation of short term payables	-115,443		277,748		-393,190	
Variation of advances and other short term payables	-181,146		591,951		-773,097	
Variation of accrued liabilities	149,431		-121,843		271,274	
Cash flow from operating activities	5,630,753	712.5	7,500,009	456.76	-1,869,256	-24.923
Investments in financial assets	-		-		-	
Divestments in financial assets	-		-		-	
Investments in participations	-		-66,408		66,408	
Divestments in participations	-		-		-	
Investments in tangible assets	-742,579		-607,531		-135,048	
Divestments in tangible assets	5,786,977		-		5,786,977	
Investment in intangible assets	-98,021		-221,405		123,384	
Divestment in intangible assets	-		-		-	
Cash flow from investing activity	4,946,377	625.9	-895,344	-54.528	5,841,721	-652.46
Variation of non-current liabilities (Interest bearing)	-4,186,863		-762,664		-3,424,199	
Variation of other non-current liabilities	-		-		-	
Dividends paid	-5,600,000		-4,200,000		-1,400,000	
Payments from capital increase	-		-		-	
Cash flow from financing activities	-9,786,863	-1.238	-4,962,664	-302.23	-4,824,199	97.21
NET VARIATION OF CASH AND CASH EQUIVALENT	790,268	100.0	1,642,002	100	-851,734	-51.872
Net cash as of 1. January	3,901,178		2,259,176		1,642,002	
Net cash as of 31. December	4,691,446		3,901,178		790,268	
NET VARIATION OF CASH AND CASH EQUIVALENT	790,268		1,642,002		-851,734	

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.

2. Information and comments on specific positions of the balance sheet and P&L

	31.12.2016	31.12.2015
	CHF	CHF
a. Trade receivables		
from third parties	6,541,944	5,641,033
from group companies and shareholders	704,436	1,271,254
Correction value	-611,060	-627,879
<i>Total of trade receivables</i>	<i>6,635,320</i>	<i>6,284,408</i>
b. Other short-term receivables		
from third parties	233,704	544,463
from participations	547,686	195,031
<i>Total of other short-term receivables</i>	<i>781,391</i>	<i>739,494</i>
c. Accrued income and prepaid expenses		
from third parties	709,449	419,120
from group companies and shareholders	110,649	229,996
<i>Total of other short-term receivables</i>	<i>820,098</i>	<i>649,116</i>
d. Trade payables		
to third parties	2,704,263	1,933,703
to group companies and shareholders	659,782	805,172
<i>Total of trade payables</i>	<i>3,364,045</i>	<i>2,738,875</i>
e. Non-current liabilities bearing interests		
to third parties	6,020,474	8,207,336
to group companies and shareholders	-	2,000,000
<i>Total of non-current liabilities bearing interests</i>	<i>6,020,474</i>	<i>10,207,336</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>

4. Shares and interests in other companies

Company, legal form and registered office	31.12.2016		31.12.2015	
	Share capital	Share of voting rights	Share capital	Share of voting rights
Vitalab SRL, Milano	EUR 160'060	75%	EUR 160'060	75%
Share capital directly hold by CRB SA (60%):	EUR 120'060		EUR 120'060	
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

	31.12.2016	31.12.2015
	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

Mortgage notes in 1st row pledged at UBS	-	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	4,330,000	5,500,000
Book value of assets subject to a mortgage	5,596,792	10,628,394

7. Financial commitments and leases

Rentals	286,360	539,992
Leases	29,454	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 and 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

Various insignificant extraordinary costs	-	-
<i>Total of extraordinary cost</i>	-	-
Surplus value on asset sale	295,000	-
Various insignificant extraordinary incomes	-	-
<i>Total of extraordinary income</i>	295,000	-
Total income resulting from extraordinary income and cost	295,000	-

9. Maturity of long-term interest-bearing debts

Expiring within 1 to 5 years	2,007,101	4,574,776
Expiring within more than 5 years	4,013,372	5,632,560
<i>Total of long-term interest-bearing debts</i>	6,020,474	10,207,336

10. Fees paid to the auditors

Fees for auditing services	39,407	36,000
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	2016	2015
At the disposal of the general meeting:		
Retained earnings	5,014,256	4,978,262
Profit of the year	4,970,881	5,635,993
<i>Available earnings</i>	<i>9,985,137</i>	<i>10,614,256</i>
Proposal of the Board:		
Available earnings	9,985,137	10,614,256
<i>./. Dividends payables</i>	<i>-4,900,000</i>	<i>-5,600,000</i>
Solde à reporter	5,085,137	5,014,256

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