GLOBAL BRANDS SA

GROWING WINNING BRANDS

Annual Report 2010

(IFRS)

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COMPANY INFORMATION

Global Brands S.A. ("Global Brands" or the "Company") is a public limited liability company incorporated under the laws of Luxembourg on 6 July 1999 by a notary act drawn up by Maitre Alex Weber, a notary residing in Luxembourg. The act was published in the legal gazette, the Mémorial C N° 723 of 29 September 1999. A branch has been opened in Zurich through which Global Brands S.A. carries on its principal trading activity in Switzerland.

Global Brands is the exclusive master franchisee of Domino's Pizza in Switzerland, Luxembourg and Liechtenstein. Domino's Pizza Inc. ("Domino's") was founded in the United States of America in 1960 and is the world's leading pizza delivery brand with over 9,200 stores in more than 65 countries.

Global Brands currently operates twelve Domino's Pizza stores across Switzerland and is looking to consolidate the Swiss pizza delivery market and potentially acquire new master franchise rights in other products and territories.

The Company is traded on AIM, a market operated by the London Stock Exchange under the company code "GBR". The share price and regulatory information are available on the Company's website www.globalbrands.ch.

Registered number	RCS Luxembourg B 70673
Registered office	19 rue Eugene Ruppert L-2453 Luxembourg
Branch Registered Address	Ifangstrasse 10 8302 Kloten Switzerland
Board of Directors	Simon Bentley, *Non-Executive Chairman* Roberto Avondo, *Non-Executive Director* Bruce Vandenberg, *Chief Executive Officer*
Nominated Adviser	Libertas Capital Corporate Finance Limited 16 Berkeley Street London W1J 8DZ
Broker	Alexander David Securities Limited 68 Lombard Street London EC3V 9LJ
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Solicitors in UK	Mishcon de Reya Summit House 12 Red Lion Square London WC1R 4QD
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CHAIRMAN'S STATEMENT

I am pleased to report on a year of significant operational achievement.

The strong improvement in our results reflects healthy like-for-like growth in sales and a management influenced reduction in our operational costs.

Looking forward, we expect growth from the development of our sub-franchise operations following the acquisition of Pagonia Holding AG this year. We are also looking at an involvement in other territories for Domino's Pizza and taking on additional brands in Switzerland.

Corporately, it has been an eventful year. Funds have been raised during the year through new equity placings and we continued to have the valuable support of our largest shareholder, NobleRock Capital. The unsecured convertible loan advanced by Noble Rock Capital was converted into equity on 31 December 2010, further strengthening our balance sheet.

Our progress this year could not have been achieved without the hard work and commitment from our executive team from store to Boardroom. We are now in a position to capitalise on the base that has been established, through great product, excellent service and innovative marketing.

We have had considerable challenges to face over the last two difficult years but we have turned the corner and I am confident that Global Brands is now well placed for the future.

Simon Bentley
Non Executive Chairman

18 March 2011

CHIEF EXECUTIVE OFFICER'S REVIEW

1. Overview

I am delighted to report a strong improvement in our results for 2010, both in terms of significant growth in sales as well as reduced operating costs. This performance was a result of the ongoing dedication, commitment and professionalism of our key partners, suppliers, employees and shareholders, to whom we are extremely grateful.

The Company set four new sales records during the year. We saw record monthly sales in May 2010 (CHF 1.26m), October 2010 (CHF 1.28m) and December 2010 (CHF 1.29m). The Company also recorded a record sales quarter in the fourth quarter with sales at CHF 3.8m (2009: CHF 3.2m). Sales for the year increased by 17.1 per cent to CHF 13.79m (2009: CHF 11.78m) and like-for-like sales grew by 18.2 per cent. Crucially, following the implementation of stringent cost controls over the summer, the Company recorded its first EBITDA quarterly profit since 2005 in the fourth quarter of 2010.

When I wrote to shareholders last year, I expressed my confidence that the Company had turned a corner. The 2010 trading results confirm this turnaround. The strategies that were put in place last year have all delivered and I am pleased to be able to share the detail with you in this report.

As we look forward, further enhancements to shareholder value will be delivered through growth. The Pagonia Holding AG acquisition has provided the catalyst for the implementation of our sub-franchising strategy. Whilst we are looking for further sales growth from the 12 stores we operate ourselves, I expect sub-franchising to be our primary growth engine in 2011. I am confident that we will add at least 6 new sub-franchise stores during 2011. This is well on our way to achieving our target of 50 stores by the end of 2014. We will also continue to explore opportunities for geographic diversification for Domino's Pizza as well as developing additional quick service food brands in Switzerland.

2. Sales Growth

Healthy sales growth is an indicator of a healthy business. Growing top line sales has been a key part of our focus since I took charge of the Company. Sales in 2009 versus 2008 were effectively flat and failed to reflect the potential of the business. In 2010, we focused on increasing sales and brand awareness as quickly as possible. In order to do so, we invested heavily in marketing and team training during the first half of the year and then followed that through with an emphasis on operational excellence and a commitment to customer service.

As a result, we saw substantial growth in like-for-like year on year sales even though we began to run up against tougher comparables in the fourth quarter of 2010. This is highlighted in the table below.

Like-for-Like Sales Growth – 2010 versus 2009

CHF ('000)	Q1	Q2	Q3	Q4	**Total**
West	2,037	2,215	2,029	2,361	**8,641**
East	1,126	1,179	1,126	1,264	**4,696**
2010	**3,163**	**3,394**	**3,155**	**3,625**	**13,337**
West	1,884	1,758	1,609	2,113	**7,363**
East	965	903	871	1,163	**3,901**
2009	**2,849**	**2,661**	**2,480**	**3,276**	**11,265**
West	8%	26%	26%	12%	17%
East	17%	31%	29%	9%	20%
% growth	**11%**	**28%**	**27%**	**11%**	**18%**

One of the keys to success with Domino's Pizza is getting your customers to accept it's value equation; the combination of price, quality and service.

As outlined last year, we changed our pricing policy, and now offer a competitively priced product. We are addressing the second two elements by constantly striving for improvements in both quality and service and continuously measuring and monitoring these key performance indicators.

The clearest evidence that customers accept the value equation is repeat purchase and order count growth. Order count growth was strongly positive on 2009. Essentially, more customers are ordering pizzas from us, either through repeat purchase or an increase in our carryout business. Bearing in mind that we only deliver to a finite number of customers in a defined delivery area, I am very pleased with these results.

The table below shows the positive order count growth experienced throughout 2010 and the very positive response to the lower-price strategy in the East region.

Order Count Growth – 2010 versus 2009 (as a percentage)

	Q1	Q2	Q3	Q4	Total
West	9.69%	32.58%	28.86%	16.34%	14.30%
East	32.41%	57.03%	51.02%	33.15%	42.80%
Total	17.99%	41.79%	37.69%	22.93%	21.30%

The final component in reviewing sales growth is the average ticket size. When order counts are increasing, it is important that this growth is not achieved at the expense of average ticket size. We are conscious that the average ticket size in the East of Switzerland dropped due to the price reduction implemented in 2009. I am pleased to report that in 2010, the average ticket recovered in the East and remained relatively stable in the West.

The table below indicates the progression of average ticket over the last eight quarters.

Average Ticket Progression – CHF – 2009 and 2010

	2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
West	35.59	35.83	34.19	35.06	35.58	34.43	34.03	35.78
East	32.22	30.88	28.54	30.03	28.65	27.44	27.00	29.55
Total	34.15	33.70	31.83	32.99	32.43	31.01	30.52	32.66

3. Marketing

Our brand recognition goes from strength to strength. During the year we implemented a number of key changes to the product, the most fundamental of which was the switch to thin crust pizzas as standard. This was done as a result of overwhelming feedback to market research. Furthermore, in a move to position the Domino's Pizza brand as more authentic Italian cuisine rather than thick-crust American style pizzas, we introduced the "Ti Amo" device to append the Domino's brand and revamped the menu to include new Italian style pizzas, desserts and drinks.

Menu flyer distribution remains our most effective marketing tool and we continue to invest in consistently distributing the latest menu flyer to customers in the store delivery areas.

Promotional activity was also increased during the year and we ran a number of promotions focused on getting customers to re-engage with the brand and sample the new style pizzas, all of which were well received.

Major promotional activities included a public transport promotion in the Zurich city area. Customers that collected a voucher from dispensers placed within trams and buses were able to buy heavily discounted pizzas if they collected them from the stores. Due to its success, we will be repeating this promotional method in both Zurich and Geneva this year.

Online marketing remains a key area of focus for us and we continue to improve the consumer experience. We launched a Facebook page during the year and continue to implement strategies for search engine optimization and advertising on-line.

4. Operational Excellence

Having focused on driving sales growth during the first half of the year, our focus then shifted to operational excellence and cost management. There are three key cost components in our business; food cost, direct labour cost and overhead.

Crucially, both food and labour costs, as a percentage of sales, reduced substantially during the second half of the year. These were key to the Company producing its first reported quarterly EBITDA profit in the fourth quarter.

The table below shows the progression of food and direct labour cost as a percentage of sales across the year.

Food and Labour Cost Percentage Progression – 2010

	Q1	Q2	Q3	Q4
Food Cost	22%	25%	26%	22%
Labour Cost	48%	47%	46%	40%

Food costs rose in Q2 and Q3 due to campaigns run to reactivate the brand with takeaway deals and BOGOF (buy-one, get-one free) promotions.

Our operational excellence program focuses on continually measuring food cost, labour cost and out the door (OTD) times. We also measure other key indicators relating to the appearance and organisation of each store. OTD times improved during the year, with average time to dispatch an order being reduced by circa 2 minutes to just over 15 minutes. Further improvements in speed of order dispatch are targeted for 2011, underlining the "30 minute" guarantee for pizza delivery either by telephone or online order.

Going forward, our focus on operational excellence continues. We are driven by attention to detail and a desire to constantly optimise the performance of our people and our stores. We continue to invest in training and the adoption of best practice principles learnt from Domino's Pizza operators worldwide.

5. Sub-franchising

The Board believes that sub-franchising is the key to the Company's future growth.

Originally, the Board had considered growing the number of own stores alongside the sub-franchisee stores. Having undertaken a detailed analysis, including an assessment of other Domino's Pizza markets, the Board has concluded that the sub-franchisee stores offer potentially better returns than own stores and are far less capital intensive. The Board will therefore consider further new corporate stores on an opportunistic basis. In order to maintain control over the sub-franchisees, where possible, the company will try to secure the leases.

We believe that Switzerland as a market will support 50 Domino's Pizza stores and it is our intention to grow our store count from the current 16, including franchisees, to our target of 50 by the end of 2014. In order to achieve our targets, we will have to achieve higher annual store growth rates than ever seen in the business. I am confident that the Company now has the requisite operating platform to deliver this growth.

We have an experienced and well organised team and we have significantly improved the performance of our corporate owned stores. It is now time to push on with growth through sub-franchising.

We started this process at the end of 2010 with the acquisition of Pagonia Holding AG, the owners and operators of the Pizza Taxi brand in Switzerland. As a result, we have our first four sub-franchisees and will soon, following the conversion to the Domino's Pizza brand, have our first Domino's Pizza sub-franchise stores.

The deal provided a catalyst in ensuring that the business was ready for operations as a franchisor. The acquisition of these sub-franchisees, rather than incremental growth on a store-by-store basis, has ensured that we are ready to support multiple sub-franchisees in a much shorter time frame than would have otherwise been the case. We are now operationally prepared to add additional franchisees at a rapid rate.

6. Diversification

It has been a goal of the Board to diversify our operations for some time. However, operational stability and growth within the core business were always prerequisites. During 2010, we reported that we had reached an agreement to secure a sushi franchise for Switzerland and an option on Austria. It is unfortunate that we were unable to reach an agreement with YO! sushi. However, we remain focused on brand diversification in Switzerland and continue to discuss opportunities with a number of brands that we feel would be appropriate to the market. Switzerland is a complex operating environment and we remain convinced that the Company offers a unique set of skills and experience in launching franchised food brands in the territory.

The other area of potential for diversification is geographic diversification with the Domino's Pizza brand and we continue to evaluate the potential of this strategy.

7. Financial Review

The table below summarises the Company's performance for the year 2010:

	31 December		
	2010	*2009*	*Increase*
	CHF '000's	*CHF '000's*	*(decrease)*
Turnover	13,785	11,780	*17.02%*
Gross Profit	10,016	8,790	*13.95%*
Staff Costs	(7,653)	(7,298)	*4.86%*
Administration Expenses	(3,964)	(3,548)	*11.72%*
EBITDA	(1,602)	(2,057)	
Net loss for the year	(1,667)	(3,013)	
EPS/(loss) per share	(0.01)	(0.08)	
Shareholders' equity	2,009	(45)	

The Company opened one new store during the year in Höngg and there were no store closures. At the end of the year the Company had 12 stores in operation, all of which are Company owned. The stores are located in the cities of Zurich, Geneva, Basel and Lausanne and in important towns, Neuchatel and Winterthur. The combined performance of these stores was operationally profitable.

Sales increased over last year by CHF 2m to CHF 13.79m. This was the combined result of significant investment in marketing, improved store operations and a dedication and commitment to service. We saw record monthly sales in May 2010 (CHF 1.26m), October 2010 (CHF 1.28m) and December 2010 (CHF 1.29m). The Company also recorded a record sales quarter in the fourth quarter with sales at CHF 3.8m. Sales for the year increased by 17.1 per cent. to CHF 13.79m (2009: CHF 11.78m) and like-for-like sales grew by 18.2 per cent.

Gross Profit increased by 13.9 per cent. to CHF 10m (2009: CHF 8.8m). The reduction in gross margin to 72.7 per cent (2009: 74.6 per cent) was largely due to increased food costs in the second and third quarters before the new operational excellence programme took effect. As noted earlier, food costs were reduced from 26 per cent of sales in the third quarter to 22 per cent of sales in the final quarter.

By contrast, staff costs only increased by 4.9 per cent to CHF 7.65m (2009: CHF 7.29m). The increase was largely attributable to:

- the increase in direct labour costs which rose as a result of the increase in turnover. As a percentage of turnover, direct labour costs improved to 45 per cent (2009: 51 per cent) resulting in a cost of CHF 6.22m (2009: CHF 5.96m).
- Board fees and costs were reduced to CHF 241k (2009: CHF 418k) and other staff costs were reduced to CHF 15k (2009: CHF 117k).

Administrative expenses increased by 11.47 per cent to CHF 3.92m (2009: CHF 3.55m). This increase was partly due to increased royalty payments to Domino's Pizza as these are directly linked to sales. The increase also however reflects a 256 per cent increase in marketing spend excluding royalties (2010: CHF 1.1m, 2009: CHF 309k) as well as an increase of around CHF 50k in IT costs. These increases

were partially offset by a significant reduction in legal costs (minus CHF 360k) and audit costs (minus CHF 50k). I am pleased to report a reduction in other administrative expenses to CHF 2.25m (2009: CHF 2.62m).

The reduction in the EBITDA loss for the first half of the year from CHF 1.01m to CHF 0.59m in the second half was principally due to the excellent cost controls implemented in the second half of the year. This impacted particularly strongly in the fourth quarter when the Company recorded its first positive quarterly EBITDA since 2005.

The resulting EBITDA loss for the year was CHF 1.56m (2009: CHF 2.06m). After taking into account depreciation and amortization, financial charges and income and a deferred tax asset credit of CHF 443k, the final loss for the year was CHF 1.67m (2009: 3.01m). This translates into an earnings per share loss of CHF 0.01 (2009: CHF 0.08).

The Company's balance sheet has improved even more markedly. As at 31 December 2010, the Company had cash resources of CHF 1.1m (2009: CHF 877k). Current liabilities were reduced to CHF 3.5m (2009: 4.1m). Shareholders' equity improved from a negative CHF 45k in 2009 to a positive CHF 2.01m in 2010.

8. Corporate Developments

Share Placing

In February 2010, the Company raised funds totaling CHF 625,209 (GBP 390,000) gross through a placing of 21,666,667 new shares at a price of GBP 0.018 per share.

On 9 November 2010, the Company raised a further CHF 1,913,204 (GBP 1,236,000) gross through a placing of 44,945,455 new shares at a price of GBP 0.0275 per share.

NobleRock Capital Convertible Loan

As set out in last year's report, NobleRock Capital agreed to provide the Company with a convertible loan facility of CHF 1 million at an interest rate of 7 per cent per annum and a conversion price of GBP 0.017 per share.

During the year the loan was drawn down in various tranches and the Company announced on 31 December 2010 that the Board had resolved to convert the loan early together with the accrued interest. The total amount outstanding at the point of conversion was CHF 1,024,938.90.

Initially the loan facility was due to convert on 30 June 2011, however the Board believed it beneficial to convert the loan on 31 December 2010 in order to strengthen the Company's balance sheet ahead of the financial year-end and to eliminate further interest payments.

40,979,469 new shares were issued to NobleRock Capital representing CHF 1,024,938.90 (£696,650.97) being the principal and accrued interest of the loan.

The total number of shares in issue following the loan conversion and the issue of shares relating to the Pagonia Holding AG acquisition is 202,918,941.

NobleRock Capital owns 84,727,291 shares in the Company, representing 41.75 per cent of the issued share capital of the Company.

Pagonia Holding AG Acquisition

On 31 December 2010 the Company completed the acquisition of the entire issued share capital of Pagonia Holding AG and its subsidiaries with effect from January 1st 2011. The total consideration agreed was CHF 940,000 divided into cash and shares of CHF 611,000 in cash and the issue of 7,976,000 new ordinary shares in the Company at a price of £0.0275. On 31 December 2010, CHF 488,800 was paid in cash and 6,380,800 new shares were issued to the vendors as part consideration. A final payment of 20 per cent. of the consideration was due to be paid on 28 February 2011. (See Post Balance Sheet Events below.)

Swiss Corporate Structure

The acquisition of Pagonia Holding AG means that the Company now owns four Swiss companies. It is the Company's intention to install a Swiss corporate structure for its Swiss business since many suppliers would prefer to deal with a Swiss partner. Pagonia Holding AG has therefore been renamed Global Brands Switzerland AG and will be the Swiss holding company for the Company's Swiss activities. One of the other companies has been renamed Domino's Pizza Switzerland AG and, following the completion of legal and tax compliance work, the Company plans to transfer its operative business in Switzerland (Domino's Pizza) from its Swiss branch to Domino's Pizza Switzerland AG. It is currently expected that this transfer will become effective on 1 July 2011.

9. Post Balance Sheet Events

The amended terms of the Pagonia Holding AG acquisition announced on 31 December 2010 required the vendors to deliver a new suitable location for the Leistal store by 28 February 2011. In the event that the vendors complied with this condition, the balance of the consideration would have been paid to them as:

- CHF 122,200 in cash
- 1,595,200 shares

As the vendors failed to secure a suitable location by the deadline, the consideration paid for the acquisition is the cash and shares paid and issued on 31 December 2010.

10. Current Trading and Outlook

I am very pleased to report that we have carried last year's momentum into 2011. Despite being up against tougher comparable sales figures, both January and February were up on last year. January's figures showed sales tracking 20.8 per cent ahead of last year and 15.2 per cent up on a like-for-like basis. February was not quite as strong because much of the month was effected by uncharacteristically good weather. Nevertheless, sales were up against last year by 11.7 per cent and 6.4 per cent on a like-for-like basis.

Looking ahead, we will continue to concentrate on reducing operational costs and ensuring our key performance metrics meet our targets. Our primary growth focus for 2011 will be on sub-franchising. We are targeting to add a minimum of six new sub-franchise stores by the end of the year. This will take our total store count to 22, well on our way to our goal of 50 stores by the end of 2014.

We still believe that sushi represents a great opportunity in Switzerland and we will continue our discussions with potential partners regarding sushi as well as other brands suitable for the Swiss market. Switzerland is a country of 7.5 million people and some major international cities such as Geneva, Basel and Zurich, in all of which we currently operate. Switzerland has a strong currency and a robust financial market. The Global Brands operational management team now has significant experience and capability in Switzerland with its three main languages, twenty-six "cantons" and strong cultural influences from Germany, France and Italy. We are very confident of our ability to create significant value, not only with Domino's Pizza, but also with new franchises or joint ventures for other 'global brands' in Switzerland and other European countries. We will also continue to develop opportunities to operate the Domino's Pizza brand in other markets.

I look forward to updating you again on our progress throughout the course of the year.

Finally, on behalf of the entire Board, I would like to express our sincere thanks and appreciation to all of our employees and suppliers, our franchisor Domino's Pizza and our shareholders for their continuing dedication, support and commitment.

Bruce Vandenberg
Chief Executive Officer

18 March 2011

DIRECTORS' REPORT

The Directors are pleased to submit their annual management report and audited financial statements for the year ended 31 December 2010.

For the purpose of filing with AIM, financial statements have been prepared and presented using International Financial Reporting Standards ("IFRS"). The Company has elected, as allowed under Luxembourg law to produce only financial statements using IFRS and these are also available at the registered office and the Registrar of Commerce and Societies in Luxembourg.

1. Principal activity

The principal activity of the Company is the sale of Domino's Pizza products in Switzerland. The Company's registered office is in Luxembourg but trading was carried out through its main branch in Zurich. A review of the business is contained in the Chief Executive's Review.

2. Going concern

At 31 December 2010 current liabilities, including provisions, of the Company exceeded its current assets by CHF 1,771K (2009: CHF 2,821K).

As reported, the Company raised fresh capital in February 2010 totaling CHF 625,209 gross though a placing of 21,666,667 new shares at a price of GBP 0.018 per share.

In April 2010, the Company sold the Renens store for CHF 250k net of costs.

In May 2010, NobleRock Capital s.à r.l. and the Company agreed a convertible loan facility for CHF 1 million at an interest rate of 7 per cent. per annum with a conversion price of GBP 0.017. This facility was fully drawn down during the year.

In November 2010, the Company raised further capital totaling CHF 1,913,204 gross through a placing of 44,945,455 new shares at a price of GBP 0.0275 per share.

In December 2010, the Company issued a further 47,360,269 new shares. Of this total 40,979,469 new shares were issued at a price of GBP 0.017 for the conversion of the NobleRock Capital s.à.r.l loan plus accrued interest. A further 6,380,800 new shares were issued at a price of GBP 0.0275 as part payment for the acquisition of Pagonia Holding AG.

The Company was able to generate a positive cash flow in the fourth quarter of 2010 and is confident that the positive trend set in 2010 will continue. This turnaround, together with the careful management of its creditors, means that the Company should be able to meet its obligations in the future. On this basis, the directors consider it is appropriate to draw up financial statements on a going concern basis for the foreseeable future, and consider that the Company has sufficient working capital for its present requirements.

3. Business and financial risk management

Information on business and financial risk management is given in note 26 of the accompanying financial statements.

4. Capital investments in the business

During 2010, CHF 513.6K was invested in new stores, equipment and vehicles, financed partly by finance lease contracts. A new store was opened in Höngg in May 2010 and is performing in line with expectations.

Details of intangible and tangible assets are set out in notes 13 and 14 of these financial statements.

5. Deferred tax asset

The Directors have decided to carry forward deferred tax assets of CHF 1,074K representing 21 per cent. of the pre tax losses for 2009 and 2010. The net effect is a credit to the 2010 profit and loss account of CHF 443K.

6. Post year-end events

Other than as noted in the Chief Executive's Review, there are no material events since the year-end that would affect the Company's financial position as established at 31 December 2010. The Board believes in the strength of the Domino's Pizza brand and the soundness of the business model. On this basis, in close cooperation with NobleRock Capital s.à r.l., we continue to seek and explore opportunities to develop new stores and sub-franchisees.

7. Directors

There were no changes to the Board of Directors during 2010.

All of the Company's directors participated in the issue of new shares in November 2010. Roberto Avondo purchased 3,636,364 shares, Simon Bentley purchased 363,636 shares and Vancor Limited, a company beneficially owned by Bruce Vandenberg, purchased 1,818,182 shares.

8. Directors Remuneration Report

This report meets the relevant requirements of the Listing Rules of the Financial Services Authority and describes how the Board has applied the Principles of Good Governance relating to Directors' Remuneration.

Remuneration policy

Executive remuneration packages are prudently designed to attract, motivate and retain Directors of the necessary calibre and to reward them for enhancing value to shareholders. The performance measurement of the Executive Directors and key members of senior management and the determination of their annual remuneration package is undertaken by the Remuneration Committee. The Board within limits set out in the Articles of Association determines the remuneration of the Non-executive Directors. Executive Directors are entitled to accept appointments outside the Company providing the Board's permission is sought.

Non-executive Directors' terms of engagement

The Non-executive Directors have specific terms of engagement. The Board determines their remuneration. In the event that a Non-executive undertakes additional assignments for the Company, the Company in respect of each assignment will agree the Non-executive's fee.

Aggregate Directors' remuneration

	Salary and Fees	Bonus	Pension	2010 Total	2009 Total
Bruce Vandenberg	CHF 67,020	CHF 0	CHF 0	CHF 67,020	CHF 55,110
Simon Bentley	CHF 106,456	CHF 0	CHF 0	CHF 106,456	CHF 100,112
Roberto Avondo	CHF 67,020	CHF 0	CHF 0	CHF 67,020	CHF 63,357
Yair Hasson	CHF 0	CHF 0	CHF 0	CHF 0	CHF 77,040
Amir Hasson	CHF 0	CHF 0	CHF 0	CHF 0	CHF 63,770

No options were awarded to Directors who served during the year.

9. Share option scheme

Under the historic Share Option Plan approved in 2006, the Company may grant options for up to 10 per cent. of its issued share capital from time to time. The Company had issued options exercisable into new ordinary shares to former directors, which expire in the years 2015-2016, as follows:

	Number of shares under option	
Exercise Price (pence)	**2010**	**2009**
38.88	1,849,918	1,849,918
24.17	229,467	229,467
18.92	101,871	101,871

No share options have been exercised.

10. Shareholders

NobleRock Capital s.à r.l, a Luxembourg company, currently holds 41.75 per cent. of the Company's issued shares. The ultimate beneficial owner of NobleRock Capital s.à r.l is Mr. Alexandre Gaydamak.

As of 15 March 2011 the following persons and companies had an interest of 3 per cent. or more in the issued share capital of the Company.

	% of issued share capital
NobleRock Capital s.à r.l.	41.75%
SBS Nominees Ltd	12.86%
Barclayshare Nominees Ltd	4.85%
TD Waterhouse Nominees (Europe) Ltd	3.47%
Lynchwood Nominees Ltd	3.14%

11. Corporate Governance

The Directors acknowledge their responsibility for good corporate governance as set out in the Combined Code and support its main provisions in so far as they are appropriate to a company of the size of Global Brands at its stage of development.

12. Directors

The Directors recognise their duty of due care in the management and administration of the Company. The Board comprised three Directors as at 31 December 2010 and this is still the case.

The role of the Board is to determine the Company's strategy and monitor performance and achievement of its business objectives. The Board meets at least four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board receives reports for consideration on all significant strategic and operational matters.

The independent non-executive Directors are considered by the Board to be independent of Management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment. Directors have the facility to take external independent advice in furtherance of their duties, at the Company's expense.

The Board delegates certain of its responsibilities to the Audit and Remuneration Committees of the Board. These Committees operate within clearly defined terms of reference.

13. Accountability and Audit

Directors' Responsibilities

The Directors are required to prepare financial statements, which give a true and fair view of the state of the Company's financial position as at the end of the period and of the Company's profit/loss for the year. The Directors have responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Company. They have a duty of care and general responsibility to implement internal controls to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Appropriate accounting policies, which follow generally accepted accounting practices, are set out in the notes to the accounts, and these have been applied consistently. In addition, reasonable and prudent judgments and estimates have been used in the preparation of the financial statements.

Audit Committee and Auditors

The Audit Committee, composed entirely of non-executive Directors, assists the Board in meeting its responsibilities in respect of external financial reporting and internal controls. The Audit Committee also keeps under review the scope and results of the external audit. It also considers the cost effectiveness, independence and objectivity of the auditors taking account of any non-audit services provided by them.

Remuneration Committee

The Remuneration Committee is composed entirely of non-executive Directors. It meets at least twice a year and has a primary responsibility to review the performance of executive directors and senior employees and set the scale and structure of their remuneration having due regard to the interests of shareholders.

Internal Controls

The Directors are responsible for maintaining a sound and effective system of internal financial and operational controls. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Company's system is designed to provide reasonable assurance that significant errors and irregularities are identified on a timely basis and dealt with appropriately.

In carrying out their responsibility, the Directors have put in place a framework of financial budgetary controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible.

The Board, subject to delegated authority, reviews capital investment, sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.

14. Corporate Social Responsibility

The Company is committed to delivering the highest standards of product and service to its customers. We make every effort to be an equal opportunities employer and are committed to investing in our team members through market leading, training and development and health and safety.

15. Auditors

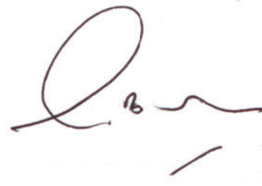
Following the acquisition of Pagonia Holding AG and its subsidiaries, the Company now owns four Swiss companies. The Company proposes to restructure its organization and transfer its current operating business from its Swiss branch to a Swiss operating company. In connection with this restructuring the Board is currently considering whether it is still appropriate to have an auditor based in Luxembourg. A proposal with regard to the appointment of an auditor will be made at the forthcoming Annual Meeting. The report of PKF, the current auditors, on these financial statements is included in this Annual Report.

16. Annual General Meeting

In accordance with article 17.1 of the Company's articles of incorporation, the Annual General Meeting is to be held on the 1st working day in June each year, this year being Wednesday, 1st June 2011. A convening notice to shareholders will be sent to registered shareholders at least two weeks before the meeting.

On behalf of the Board
Bruce Vandenberg

18 March 2011



Simon Bentley

18 March 2011

REPORT OF THE AUDITOR

Report on the financial statements of Global Brands S.A. as of 31 December 2010

ABAX Audit
Réviseurs d'Entreprises agréés

Romain Bontemps
Carlo Reding
Ronald Weber
Tom Pfeiffer
Luc Brucher

To the Shareholders of
Global Brands S.A.
19, rue Eugène Ruppert
L-2453 Luxembourg

Report on the financial statements

Following our appointment by the General Meeting of the Shareholders dated June 1, 2010, we have audited the accompanying financial statements of Global Brands S.A. (hereafter "the company"), which comprise the balance sheet as at December 31, 2010, 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.

Board of Directors' responsibility for the financial statements

The Board of Directors 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 misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Réviseur d'Entreprises agréé

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 as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. 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 judgement of the Réviseur d'Entreprises agréé, 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 Réviseur d'Entreprises agréé 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.

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PKF ABAX Audit | Société anonyme | R.C.S. Luxembourg B142.867 | Ident. TVA LU 23023682 | ID 96
Autorisation d'établissement Nr. 122 303 | Siège social: 6, place de Nancy | L-2212 Luxembourg
The PKF International Association is an association of legally independent firms

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 Global Brands S.A. as of December 31, 2010, 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 European Union.

Without qualifying our opinion, we draw attention to comments made in the Chief Executive's review, the Directors' report and the Note 7 to the financial statements which indicate that the Company incurred a net loss of CHF 1,667,447 during the year ended December 31, 2010 and, as of that date, the Company's current liabilities exceeded its total current assets by CHF 1,771,193. At December 31, 2010 the accumulated losses exceed more than 50 per cent. of the share capital and share premium account.

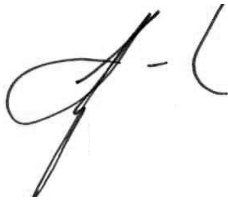
Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the financial statements.

Luxembourg, March 18, 2011

PKF ABAX Audit
Cabinet de révision agréé

Represented by



Luc Brucher
Réviseur d'entreprises agréé

Tom Pfeiffer
Réviseur d'entreprises agréé

STATEMENT OF INCOME

(Expressed in Swiss Francs)	*Notes*	*For the year ended 31 December 2010* **2010** *CHF*	**2009** *CHF*
Revenue from sales	*6*	13,785,403	11,779,934
Cost of sales		(3,769,510)	(2,990,154)
Gross profit		10,015,893	8,789,780
Staff costs	*8*	(7,653,886)	(7,298,365)
Administrative expenses	*9*	(3,919,887)	(3,548,430)
Loss from operations before depreciation & amortisation		(1,557,880)	(2,057,015)
Depreciation and amortisation	*13 & 14*	(497,081)	(1,002,691)
Loss from operations before financial result		(2,054,961)	(3,059,706)
Interest and financial income	*10*	2,969	63,268
Interest and financial charges	*11*	(58,700)	(7,561)
Loss on ordinary activities		(2,110,692)	(3,003,999)
Deferred tax asset credit/(charge)	*17*	443,245	(9,974)
Loss for the year		(1,667,447)	(3,013,973)
Basic earnings/(loss) per share	*7*	(0.01)	(0.08)
Diluted earnings/(loss) per share	*7*	(0.01)	(0.08)

The accompanying notes 1 to 28 form an integral part of these financial statements.

STATEMENT OF INCOME COMPREHENSIVE INCOME

(Expressed in Swiss Francs)	**2010** *CHF*	**2009** *CHF*
Loss for the year	(1,667,447)	(3,013,973)
Adjustments per IFRS 1	—	—
Total comprehensive loss for the year	(1,667,447)	(3,013,973)

BALANCE SHEET

(Expressed in Swiss Francs)	Notes	As at 31 December 2010 2010 CHF	 2009 CHF
ASSETS			
Non-current assets			
Intangible assets	13	95,008	98,703
Property, plant and equipment	14	1,675,204	1,895,355
Financial assets	15	185,719	175,474
Deposit re: Acquisition	16	782,647	—
Deferred tax asset	17	1,074,085	630,840
Total non-current assets		3,812,663	2,800,372
Current assets			
Stocks	18	282,550	276,544
Trade and other receivables	19	274,850	147,790
Cash at banks and in hand		1,141,950	877,011
Total current assets		1,699,350	1,301,345
Total assets		5,512,013	4,101,717
EQUITY AND LIABILITIES			
Capital and reserves			
Called up share capital	20	4,058,379	1,778,931
Share premium	20	3,950,824	2,508,760
Accumulated losses		(6,000,145)	(4,332,697)
Shareholders' equity		2,009,058	(45,006)
Non-current liabilities			
Obligations under finance leases	21	32,412	24,366
Total non-current liabilities		32,412	24,366
Current liabilities			
Trade and other payables	22	2,760,187	3,338,183
Provisions for other liabilities and charges	23	638,584	750,000
Obligations under finance leases	21	71,772	34,174
Total current liabilities		3,470,543	4,122,357
Total equity and liabilities		5,512,013	4,101,717

The accompanying notes 1 to 28 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(Expressed in Swiss Francs)	*Notes*	*For the year ended 31 December 2010* **2010** *CHF*	**2009** *CHF*
OPERATING ACTIVITIES			
Net cash flows applied to operations activities before movements in working capital	28	(1,577,435)	(1,997,439)
Decrease/(increase) in stocks		(6,006)	(31,190)
Decrease/(increase) in trade and other receivables		(127,060)	(34,739)
Increase/(decrease) in creditors and provisions		(689,411)	(25,545)
Net cash flows applied to operations		(2,399,912)	(2,088,913)
INVESTING ACTIVITIES			
Payments to acquire fixtures, equipment motor vehicles and software		(174,445)	(603,317)
Purchase of Subsidiary		(782,647)	—
Interest received		2,969	1,947
Deposits (made)/repaid		(10,245)	129,363
Net cash inflows (outflows) from investing activities		(964,369)	(472,007)
FINANCING ACTIVITIES			
Funds raised through issuance of shares		3,721,512	1,869,222
Payments under finance lease obligations		(53,147)	(50,467)
Interest paid		(39,146)	(5,815)
Net cash inflows (outflows) from financing activities		3,629,219	1,812,940
Increase/(decrease) in cash & cash equivalents during the year		264,939	(747,981)
Cash and cash equivalents:			
– balance at beginning of the year		877,011	1,624,992
– balance at end of the year		1,141,950	877,011
Increase/(decrease) in cash & cash equivalents during the year		264,939	(747,981)
Cash and cash equivalents are represented by:			
Cash at banks and in hand		1,141,950	877,011
Due to banks		—	—
Net cash and cash equivalents at end of the year		1,141,950	877,011

STATEMENT OF MOVEMENTS IN SHAREHOLDERS' EQUITY

(Expressed in Swiss Francs)	**Called up share capital** *CHF*	**Share premium** *CHF*	**Accumulated losses** *CHF*	**Total** *CHF*
Balance at 31 December 2006	10,128,006	1,959,535	(5,925,178)	6,162,363
Loss for the year 31 December 2007	—	—	(2,003,557)	(2,003,557)
Balance at 31 December 2007	10,128,006	1,959,535	(7,928,735)	4,158,806
Loss for the year 31 December 2008	—	—	(3,059,061)	(3,059,061)
Balance at 31 December 2008	10,128,006	1,959,535	(10,987,796)	1,099,745
Rounding adjustment	—	—	(2)	(2)
Capital Restructuring in 2009	(9,669,075)	—	9,669,075	—
Share Issuance in 2009	1,320,000	549,225	—	1,869,225
Loss for the year 31 December 2009	—	—	(3,013,973)	(3,013,973)
Balance at 31 December 2009	1,778,931	2,508,760	(4,332,696)	(45,006)
Share issuance in 2010	2,279,448	1,442,064		3,721,512
Loss for the year 31 December 2010			(1,667,447)	(1,667,447)
Balance at 31 December 2010	4,058,379	3,950,824	(6,000,144)	2,009,059

NOTES TO THE FINANCIAL STATEMENTS

1. Statutory information

Global Brands S.A. (the "Company") was incorporated under the laws of Luxembourg on 6 July 1999 by notary act prepared by Maitre Alex Weber, notary residing in Luxembourg. The act was published in the legal gazette, the Mémorial C N° 723 of 29 September 1999. The Company is registered under number B 70673 at the Register of Commerce and Societies in Luxembourg (Registre de Commerce et des Sociétés (R.C.S.)). The registered office is in Luxembourg. A branch has been opened in Switzerland where it carries on its principal trading activity.

2. Activities

The Company has acquired the Domino's Pizza master franchise licences, concessions and rights for Switzerland, Liechtenstein and Luxembourg. Its current activities consist of the promotion, manufacture and sale of Domino's pizzas.

3. Directors' responsibility

The Board of Directors approved the annual report and financial statements drawn up under IFRS on 14 March 2011 and they will be submitted to shareholders for approval at the annual general meeting.

The statutory annual accounts for the year ended 31 December 2009 have been approved by shareholders and have been filed at the R.C.S. in Luxembourg.

4. Basis of preparation

These financial statements have been prepared in accordance with EU adopted International Financial Reporting Standards ("IFRS") under the historical cost convention using accounting policies on a basis consistent with those adopted for the prior year, and on a going concern basis.

The financial statements are stated in Swiss Francs ('CHF'), which is the currency of the issued share capital of the Company and the Company's functional currency.

Comparative figures

In instances where reclassification of amounts has been made, comparative figures of the previous year have been modified to provide a comparable basis. These reclassifications have no effect on the results and net equity.

Going concern

The Company's current liabilities and provisions for charges exceed its current assets by CHF 1.7 million which indicates that the Company may not be able to continue as a going concern. In mitigation the Company has demonstrated over a number of years an excellent track record of raising funds in the form of new equity as required. The Company was able to generate a positive cash flow in the fourth quarter of 2010 and is confident that the positive trend set in 2010 will continue. This turnaround, together with the careful management of its creditors, means that the Company will be able to meet its obligations in the future. Accordingly these financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future. In the event that the turnaround does not continue and the Company is placed into dissolution, further adjustments would be required to provide for charges to wind up the Company's affairs and to restate the value of assets to their net realisable value.

Use of estimates

Accounting estimates and assumptions are used in the preparation of these financial statements, notably in respect of depreciation and amortisation of fixed assets, provisions for bad debts, valuation of stocks and provisions for charges. These estimates are based on the Directors' best knowledge of current events and actions, although actual results may ultimately differ from those estimates.

5. Summary of significant accounting policies

Changes in accounting policy

IFRS 8 Operating Segments

In the current financial period, the Company has adopted the requirements of IFRS 8 Operating Segments. IFRS 8 concerns the presentation and disclosure of segment information in the Company's financial statements and consequently has not affected the measurement of the Company's loss, assets or liabilities. IFRS 8 requires segment information to be presented on the same basis as that used for internal reporting purposes.

IAS 1 Revised Presentation of Financial Statements

The revised standard introduces the statement of comprehensive income; it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Company has elected to present two statements.

IAS 23 Borrowing Costs (Revised)

The standard has been revised to require capitalisation of borrowing costs on qualifying assets, which is in line with the Company's current policy.

IFRS Share-based Payment; Vesting Conditions and Cancellations (Amendment)

The amendment to IFRS 2 restricts the definition of vesting conditions to include only service conditions (requiring a specified period of service to be completed) and performance conditions (requiring the other party to achieve a personal goal or contribute to achieving a corporate target). All other features are not vesting conditions. This amendment to the standard has not had an impact on the Company and no adjustments are therefore necessary.

IFRS 7 Financial Instruments: Disclosures (Amendment)

The amendment of IFRS 7 enhances disclosures about fair value measurement and liquidity risk. IFRS 7 now requires instruments measured at fair value to be disclosed by the source of the inputs in determining fair value, using a three-level hierarchy. The amendment has also enhanced the minimum liquidity disclosures, specifically requiring the management of liquidity risk to be considered and disclosure made of a maturity analysis of financial assets held for managing liquidity risk. The Company holds no financial instruments and has therefore not needed to make any adjustments.

Revenue recognition

Sales revenue is the amount receivable by the Company for goods supplied and services provided after deducting sales taxes and discounts. Revenue is recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis by reference to the principal outstanding and the interest rate applied.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment by equal annual instalments over their expected useful lives. Land is not depreciated.

The expected useful lives generally applicable are:

- Freehold buildings : 50 years.
- Fixtures, fittings and stores equipment: 6 to 10 years, or over the life of the store lease.
- Furniture and office equipment: 3 to 4 years.
- Motor vehicles: 3 to 7 years.

Fixtures, fittings and stores equipment are depreciated initially over the primary life of the lease, normally 5 to 6 years. In the event that leases are renewed and extended, depreciation is re-calculated over the extended period of the lease.

Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially the economic ownership of the asset to the lessee. Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. They are capitalised at their fair value at the date of acquisition, or if lower, at the present value of the minimum lease payments. The interest element of leasing payments representing a constant proportion of the capital balance outstanding is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets acquired are stated at cost less accumulated amortisation and impairment losses. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is charged on a straight-line basis over the estimated useful economic life and charged from the date the asset is available for use. The useful lives are estimated as follows:

- Licences: 15 years, being the period of the operating franchise license
- Software: 2 to 3 years

The carrying values are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. An impairment loss is recognised whenever the carrying value of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are charged to the income statement.

Financial assets

Financial assets representing guarantee bank deposits are stated at fair values.

Deferred taxation

Deferred tax payable is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial information tables. The principal temporary differences arise from depreciation of property, plant and equipment, tax losses carried forward and on the difference between the fair values of the net assets acquired and their tax base.

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Non-provided deferred tax is disclosed as a contingent liability.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be sufficient and available against which the existing tax losses can be utilised. Deferred tax assets are reviewed at each balance sheet date to determine the expected timing of their realisation and whether there is impairment in their book carrying value.

Stocks

Stocks are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items. Cost of raw materials, finished goods and consumables comprises the invoiced value of the goods.

Debtors and receivables

Debtors and receivables are stated at their nominal value, less provision for estimated irrecoverable amounts.

Financial instruments

The Company's financial instruments consist of long term bank deposits, cash, bank current accounts, short term bank deposits, trade receivables, other receivables, accrued income, trade payables, obligations under finance lease contracts, loans, other accounts payable and accrued liabilities. The fair value of the financial instruments approximates their carrying values.

Foreign currency

Transactions in foreign currencies are translated at the prevailing exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less. Bank guarantee deposits are considered to be investing activities; bank borrowings are considered to be financing activities. The balances represent their fair value.

Trade payables

Trade payables are stated at their carrying amounts.

Borrowings

Loans and bank overdrafts are recorded at the proceeds amount. Interest and financial charges, including premiums payable on repayment, are accounted for on an accrual basis and are added to the amount of the debt.

Interest expense is accrued on a time basis by reference to the principal outstanding and the interest rate applied.

Pension schemes

The Company makes contributions to the government pension plans. Contributions are charged to the profit and loss account. The Company operates a defined contribution pension scheme for its employees.

New standards and interpretations applied

The IASC and IFRIC have issued standards and interpretations with an effective date for periods starting on or after the date on which these financial statements commence. The following applicable standards and interpretations have been issued, none of which are anticipated to significantly impact the Company's results or assets and liabilities and are not expected to require significant disclosure.

	Effective Date
International Financial Reporting Standards (IFRS)	
IFRS 1 – First time adoption of IFRS	1 July 2009
IFRS 3 – Business Combinations	1 July 2009
IFRS 9 – Financial Instruments (not yet endorsed by the EU)	1 January 2013
International Accounting Standards (IAS)	
IAS 27 – Consolidated and separate financial statements (Amendments)	1 July 2009
IAS 39 – Financial instruments: Recognition and measurement	1 July 2009
International Financial Reporting Interpretations Committee (IFRIC)	
IFRIC 17 – Distribution of non-cash assets to owners	1 July 2009
IFRIC 18 – Transfer of assets from customers	1 July 2009

These standards will, for the most part, apply to the financial statements for the period ended 31 December 2010 and have therefore been applied in the preparation of these financial statements. Any standards or interpretations which have been issued but which are not yet affective have not been applied in these financial statements.

6. Revenues and results

The loss on ordinary activities before taxation is stated after charging or crediting:

	2010 *CHF*	2009 *CHF*
Depreciation of:		
– Property, plant and equipment owned	391,815	883,928
– Property, plant and equipment held under finance leases	77,448	77,159
Amortisation of intangible fixed assets	27,819	41,605
Included in administration expenses are:		
– Operating lease rental charges	589,480	656,444
– Auditors' remuneration – audit services	36,697	88,490
Foreign currency (loss)/gain	(13,685)	61,320

Segment Information

The Company holds the Master Franchise Agreement for Domino's Pizza for Switzerland, Luxembourg and Liechtenstein. In the financial year 2010 sales were only made under the Domino's Pizza franchise in Switzerland. Management monitors key performance indicators for its two principal segments, namely east and west Switzerland. The languages being used, namely French in the west and Swiss German in the east define these segments. Of the 12 (2009: 11) operating locations in Switzerland as at the end of 2010, 6 (2009: 6) are in the west region and 6 (2009: 5) in the east region.

	2010				2009			
CHF'000	*East*	*West*	*Unallocated*	*Total*	*East*	*West*	*Unallocated*	*Total*
Segment Revenue								
Sales to external customers	5,091	8,694	—	13,785	4,081	7,699	—	11,780
Food cost	1,311	1,910	—	3,221	961	1,589	—	2,550
Food percentage	25.8%	22.0%	—	23.5%	23.6%	20.7%	—	21.7%
Labour cost	2,559	3,625	—	6,184	2,362	3.334	—	5,696
Labour percentage	50.3%	41.7%	—	44.9%	57.9%	43.4%	—	48.4%
Order count	180,459	246,786	—	427,245	136,427	215,912	—	352,339
Average ticket (CHF)	28.16	34.95	—	31.66	29.76	35.53	—	33.29
Interest revenue	—	—	3	3	—	—	63	63
Interest expense	—	—	59	59	—	—	8	8
Depreciation/ Amortisation	229	188	80	497	460	348	195	1,003
Assets								
Segment Assets	1,152	636	—	1,788	969	823	—	1,793
Unallocated Assets	—	—	3,729	3,729	—	—	2,309	2,309
Total Assets	**1,152**	**636**	**3,729**	**5,517**	**969**	**823**	**2,309**	**4,102**

Segment performance is evaluated based on key performance indicators such as, sales, order count, average ticket value, cost of labour and food cost. Head office costs are not allocated to operating segments.

These Financial Statements do not provide information in relation to segmentation to the extent anticipated under IFRS 8 since it would not be in the company's best interests to disclose such detailed competitor sensitive information.

Geographical segment

Turnover and results are attributable to Switzerland. There are no trading revenues in Luxembourg or Liechtenstein.

7. Earnings (loss) per share (EPS)

The calculation of the basic earnings per share is determined on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares. During the year the Company issued new shares (see note 20) and the comparative earnings per share have been adjusted to reflect these changes. The elements used in the calculation are:

	2010	**2009**
Number of issued shares of CHF 0.02 each	202,918,941	88,946,550
The weighted average number of shares in circulation during the year was:	114,342,506	37,050,660
	CHF	*CHF*
Loss for the year	(1,667,447)	(3,013,973)
Basic (loss) per share	(0.01)	(0.08)
Diluted (loss) per share	(0.01)	(0.08)

The diluted loss per share reflects the effects of the exercise of the outstanding warrants (see Note 20). The directors consider that there is no dilutive effect of the 2,181,256 share options issued because the fair price of the shares is substantially lower than the exercise price so that it is most improbable that the options would be exercised in the foreseeable future at their exercise prices of £0.3888 and £0.2417 and £0.1892.

8. Staff costs

	2010 *CHF*	**2009** *CHF*
Wages and salaries	6,612,593	6,227,759
Social security and state pension costs	752,743	536,063
Fees and costs of the Board of Directors	240,537	417,701
Other staff costs	48,013	116,842
Total	**7,653,886**	**7,298,365**

	CHF	*CHF*
Salaries and fees of directors and of companies under their control amounted to:	240,537	363,681
Remuneration to key members of management amounted to:	869,137	599,690
Directors' total remuneration:		
Simon Bentley	106,456	100,112
Bruce Vandenberg	67,020	55,110
Roberto Avondo	67,020	63,357
Yair Hasson	0	77,040
Amir Hasson	0	63,770

Social security costs comprise the Company's legal obligations to contribute to the Swiss State national health and pension funds and private pension plans of certain employees. There is no Company private pension scheme in force for the directors.

	2010	**2009**
The average number of employees by category was:		
Production and sales distribution	246	249
Administration	6	5
Total	**255**	**254**

9. Administrative expenses

	2010 *CHF*	2009 *CHF*
Marketing costs and royalties	1,702,450	924,306
Administration and general expenses	2,217,437	2,624,124
Total	**3,919,887**	**3,548,430**

10. Interest and financial income

	2010 *CHF*	2009 *CHF*
Interest income	2,969	1,947
Foreign currency gains	—	61,321
Total	**2,969**	**63,268**

11. Interest and financial charges

	2010 *CHF*	2009 *CHF*
Finance lease interest	—	5,816
Interest on Shareholder loan	24,939	—
Other interest expense	14,207	—
Other financial charges	5,870	1,745
Foreign currency losses	13,685	—
Total	**58,700**	**7,561**

12. Income tax expense

The Company is fully taxable in Luxembourg and Switzerland on profits realised from its operations. There were no taxable profits attributable to Switzerland and Luxembourg during the years 2010 and 2009. There is no taxation charge in Switzerland because the Company has incurred tax losses and no tax charge in Luxembourg because the Company has tax losses brought forward from previous years.

There were no taxable profits attributable to Luxembourg during the above years.

	2010 *CHF*	2009 *CHF*
The tax charge is determined as follows:		
Pre tax loss for the year before tax	(1,667,447)	(3,013,973)
Expected tax charge for the year:	—	—
The effective tax rates on profits are:		
Luxembourg	28.59%	28.59%
Switzerland	21% to 25%	21% to 25%

13. Intangible fixed assets

At cost, in thousands of Swiss Francs	**Software** *CHF*	**Licenses** *CHF*	**Total** *CHF*
Year 2010			
Gross carrying amount at cost at 1 January 2010	101.7	354.0	455.7
Additions	24.1	—	24.1
Gross carrying amount at 31 December 2010	125.8	354.0	479.8
Accumulated amortisation brought forward	(98.7)	(258.3)	(357.0)
Amortisation charge for the year	(3.4)	(24.4)	(27.8)
Net book value at 31 December 2010	**23.7**	**71.3**	**95.0**

At cost, in thousands of Swiss Francs	**Software** *CHF*	**Licenses** *CHF*	**Total** *CHF*
Year 2009:			
Gross carrying amount at cost at 1 January 2009	101.5	354.0	455.5
Additions	0.2	—	0.2
Gross carrying amount at 31 December 2009	101.7	354.0	455.7
Accumulated amortisation brought forward	(99.8)	(215.6)	(315.4)
Amortisation charge for the year	1.1	(42.7)	(41.6)
Net book value at 31 December 2009	**3.0**	**95.7**	**98.7**

Licenses include an initial payment of CHF 328,901 to acquire the operating franchise license for "Domino's Pizza" for a period of 15 years in Luxembourg, Liechtenstein and Switzerland. The license expires in the year 2014 and is subject to renewal.

14. Property, plant and equipment

At cost, in thousands of Swiss Francs	Land and buildings *CHF*	Store fixtures, fittings & equipment *CHF*	Office furniture & equipment *CHF*	Motor vehicles *CHF*	Total *CHF*
Year 2010					
Gross carrying amount at cost at 1 January 2010	254.4	4,615.3	444.4	947.8	6,261.9
– reclassification	—	—	—	—	—
Additions	—	325.6	25.1	162.9	513.6
Reduction	(254.4)	(1,230.3)	(337.2)	(608.3)	(2,430.2)
Gross carrying amount at 31 December 2010	0.0	3,710.6	132.3	502.4	4,345.3
Less accumulated depreciation	(9.2)	(3,239.0)	(380.5)	(737.8)	(4,366.5)
– brought forward					
– depreciation charge for the year	(1.1)	(314.9)	(27.9)	(125.3)	(469.2)
– disposals depreciation	10.3	1,209.8	337.2	608.3	2,165.6
Net book value at 31 December 2010	**0.0**	**1,366.5**	**61.1**	**247.6**	**1,675.2**
Year 2009					
Gross carrying amount at cost at 01/01/2009	254.4	4,228.1	390.0	793.4	5,665.9
– reclassification	—	—	—	(15.5)	(15.5)
Additions	—	387.2	54.4	182.9	624.5
Reduction	—	—	—	(13.0)	(13.0)
Gross carrying amount at 31 December 2009	254.4	4,615.3	444.4	947.8	6261.9
Less accumulated depreciation					
– brought forward	(4.6)	(2,414.5)	(352.6)	(662.3)	(3,434.0)
– reclassification	—	—	—	15.6	15.6
– depreciation charge for the year	(4.6)	(824.5)	(27.9)	(104.1)	(961.1)
– disposals depreciation	—	—	—	13.0	13.0
Net book value at 31 December 2009	**245.2**	**1,376.3**	**63.9**	**210.0**	**1,895.4**

Reclassification

Certain motor vehicles, which were removed from service in 2008, were included under this heading in 2009.

Disposals

The Company sold the freehold premises in Renens and disposed of the equipment in both Renens and Muttenz in 2010. The freehold property in Renens had been written down to CHF 250,000 in 2009 and this was the price, which the Company was able to achieve net of costs. The store equipment and installations were either sold or transferred to other locations. The on sale store equipment and installations transferred have been written down to CHF 10,949 in Muttenz and CHF 10,000 in Renens and a small profit was made on the equipment and installations sold.

The Company has written off various assets in 2010, which were fully depreciated and no longer used in the business.

The net carrying amount of assets held under finance leases amounted to:

	2010	**2009**
	CHF	*CHF*
Equipment	8,235	26,980
Motor vehicles	95,034	54,947
Total	103,269	81,927

15. Financial assets

	2010	**2009**
	CHF	*CHF*
Bank guarantee deposits	185,719	175,474

Deposits are made with the Company's bankers as guarantees for lease of premises, stores and vehicles. They are stated at fair values.

16. Deposit re: Acquisition

	2010	**2009**
	CHF	*CHF*
Pagonia Holding AG	744,884	—
Costs of Acquisition	37,763	—
Total	**782,647**	—

The Company paid CHF 744,884 for 100 per cent. of the share capital of Pagonia Holding AG, the owner of the Pizza Taxi brand, on 31 December 2010. A further payment of CHF 195,116 was due by 28 February 2011 should certain conditions be met. As mentioned in Post Balance Sheet Events in the CEO Report these conditions were not met and the second payment therefore lapsed. The acquisition became effective on 1 January 2011 and the Company therefore had no control over Pagonia Holding AG or its subsidiaries prior to the year-end. Furthermore the Company did not have any Directors in place and had no signing powers relating to Pagonia Holding AG or its subsidiaries during 2010. Pagonia Holding AG has three 100 per cent. subsidiaries, Pizza Taxi GmbH, Pizza Taxi Handels GmbH and Lang Tsu AG. Pizza Taxi GmbH has four Pizza delivery franchisees in the Basel region and at least three of these businesses will be converted into Domino's stores during 2011. Given that the 2010 Financial Statements for Pagonia Holding AG and its subsidiaries have not yet been completed for 2010, it is not possible to provide further information as would be required by IFRS 3 at the current time.

17. Deferred tax asset

	2010	**2009**
	CHF	*CHF*
Balance at beginning of year	630,840	640,814
Deferred tax credit (charge) for the year	443,245	(9,974)
Balance at end of year	1,074,085	630,840

The Directors consider that the pre tax losses of the years 2009 and 2010 will be available to offset against future available profits.

Luxembourg tax losses incurred in respect of Luxembourg operations have not been used to constitute a deferred tax asset since it is uncertain when those losses may be utilised.

	2010	**2009**
	CHF	*CHF*
The deferred tax was determined as follows:		
Swiss tax losses to set off against future profits:	2,110,693	3,003,999
Deferred tax asset on Swiss tax losses at a tax rate of 21% (2008 25%)	443,245	630,840

Final tax assessments of the Swiss branch are outstanding. Final tax assessments have been received for Luxembourg up to the year 2008. Tax losses in Luxembourg may be carried forward indefinitely.

18. Stocks

	2010	**2009**
	CHF	*CHF*
Raw materials – foods and beverages	210,150	207,806
Other consumables	72,400	68,738
Total	**282,550**	**276,544**

All stocks are stated at cost, which approximates their fair values.

19. Trade and other receivables

	2010	**2009**
	CHF	*CHF*
Amounts falling due within one year:		
Trade debtors	—	5,000
Other debtors, prepayments and accrued income	274,850	142,790
Total	**274,850**	**147,790**

20. Capital and reserves

Share capital

	2010	**2009**
	CHF	*CHF*
Allotted, issued and fully paid up at beginning of year	1,778,931	10,128,006
Cancellation of old shares of CHF 2.1 each	—	(9,669,075)
Issue of new shares of CHF 0.02 each	2,279,448	1,320,000
Allotted, issued and fully paid up at end of year	**4,058,379**	**1,778,931**

Represented by 202,918,941 shares of CHF 0.02 each (2009: 88,946,550 shares of CHF 0.02 each)

The Company has one class of share, which carries equal voting rights and rights to distributions of dividends from available retained earnings. On 16 and 17 February 2010, the Company raised CHF 625,209 of fresh capital via the issue of 21,666,667 shares at a price of £0.018 per share. On 9 November 2010, the Company raised CHF 1,913,204 of fresh capital via the issue of 44,945,455 shares at a price of £0.0275 per share. On 30 December 2010 the Company issued a further 47,360,269 new shares. Of this total 40,979,469 were issued at a price of GBP 0.017 for the conversion of the loan and accrued interest obtained from NobleRock Capital s.à.r.l. The other 6,380,800 new shares were issued at a price of GBP 0.0275 as part payment for the acquisition of Pagonia Holding AG.

Stock option plan

On 1 August 2005, the general meeting of shareholders of the Company approved a stock option plan for the benefit of the directors and key employees. At 31 December 2010 and 2009 there were in circulation 1,849,918 options at £0.389, 229,467 options at £0.242 and 101,871 options at £0.189.

Warrants

As at 31 December 2010 (2009; 0) there were the following warrants outstanding; 1,070,777 warrants at £0.018 and 184,000 warrants at £0.0275.

Share premium – on issue of new shares	**2010**	**2009**
	CHF	*CHF*
Balance at beginning of year	2,508,760	1,959,535
Increase during the year	1,541,778	620,868
Less charges of raising finance	(99,715)	(71,643)
Share premium balance at end of year	3,950,823	2,508,760

Legal reserve

The Company is obliged to make a transfer of at least 5 per cent. of its annual net profits to a legal reserve. Retained losses are deducted in determining the amount of the annual transfer. This transfer ceases when the legal reserve is equal to 10 per cent. of the subscribed share capital, but recommences if it falls below this level. The legal reserve is not available for distribution, except on dissolution. A legal reserve is not required since the Company has accumulated losses.

21. Non-current liabilities

	2010	**2009**
	CHF	*CHF*
Obligations under finance leases and hire purchase contracts	32,412	24,366

Obligations under finance leases in respect of equipment and vehicles are for periods of two to four years and are recorded as liabilities in the balance sheet. The lease contracts bear interest at rates of between 4.28 per cent. and 11.5 per cent. per annum and are repayable in fixed monthly installments of principal capital and interest over the period of the lease. In the event that lease obligations are not fulfilled, the lessor has a right to recover the asset.

The leases to which these amounts relate, expire as follows:

	2010	**2009**
	CHF	*CHF*
In one year or less (classified as a current liability)	71,772	34,174
Between one and five years (classified as a non-current liability)	32,412	24,366
In five years or more (classified as a non-current liability)	—	—
	104,183	58,540
Aggregate minimum lease payments due under the contracts inclusive of finance charges	104,183	58,540
The finance charges therein	5,759	7,288

22. Trade and other payables

	2010	**2009**
	CHF	*CHF*
Amounts falling due within one year		
Trade creditors	1,416,367	1,627,850
Taxes and social security	431,740	689,392
Other creditors, accruals and deferred income	912,080	1,020,941
Total	**2,760,187**	**3,338,183**

As at 31 December 2010 the Company had some payment delays with respect to social security and certain marketing and legal payables. The Company has negotiated with the respective counterparties and concluded agreements fixing reimbursement plans so that these payment delays can be considered as remedied. No other payment delays in respect of loans or other payables exist that would permit the lender to demand accelerated repayment in the course of the financial year 2011.

23. Provisions for other liabilities and charges

	2010 *CHF*	2009 *CHF*
Brought forward from 2009	750,000	801,863
Charged in the current year:		
Claims for compensation and benefits	(111,416)	(51,863)
Provisions for legal charges	—	—
Balance carried forward 31.12.2010	**638,584**	**750,000**

During 2008 Management discussed labour relations in the Company's sector of activity with Swiss union representatives. The discussions included topics surrounding compliance with regulatory requirements relating to minimal compensation and benefits due to employees. One of the purposes was to clarify the amounts that may have to be paid to employees in order to comply with regulatory requirements relating to minimal compensation and benefits that came into effect during the course of 2005. The Company settled several cases in 2010 but is currently still contesting other cases from employees or former employees and the outcome of these cases together with their financial impact remain uncertain. The Directors therefore consider it prudent to maintain a provision of CHF 638,584 as at 31 December 2010 in order to cover any potential liability that may arise from these cases.

24. Capital and contractual commitments

Under a franchise agreement with Domino's Pizza International Inc. USA, the Company has a commitment to pay US$10,000 on the opening of every new store from the ninth store onwards. In addition the Company has to pay a royalty fee to Domino's Pizza International Inc. based on its sales and is required to set aside a percentage of its sales revenue for advertising and marketing.

25. Leasing commitments

Operating leases

The Company has commitments under several short-term and long-term operating leases in respect of its offices, stores and related parking. The offices and stores leases are for periods of 5 years, renewable, and with cancellation notice periods of six months before the expiry of the contract. In the event of cancellation before the expiry of the term of the lease, penalty cancellation charges are payable.

	2010 *CHF*	2009 *CHF*
Charge for operating leases for the year	589,480	656,444
The future minimum payments under these leases mature as follows:		
In one year or less	579,923	490,787
Between one and five years	1,088,057	1,277,972
In five years or more	88,000	209,861
Total	**1,755,980**	**1,978,620**

26. Financial risk management

The Company's turnover is primarily dependent on a single product, being the production and sale of pizzas. The Company's licence for Domino's Pizza is limited to Switzerland, Liechtenstein and Luxembourg.

The Company's financial risk management objectives consist of identifying and monitoring those risks, which have an adverse impact on the value of the Company's financial assets and liabilities or on reported profitability and on the cash flow of the Company.

The Company's principal financial liabilities consist of finance leases. The Company financial assets consist of receivables [as there are zero trade debtors] and cash, which arise directly from its operations. The Company has not entered into any derivative transactions.

The main risks arising from the Company's business are foreign exchange risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks which are summarised below:

Foreign Currency Risk

The Company makes all of its sales in Switzerland, issues shares in sterling and buys goods and services in currencies other than Swiss Francs. Movements in the exchange rates can effect the value of the Company's non Swiss Franc liabilities. Wherever possible the Company tries to match funds available in one particular currency with expenditures in the same currency. Should this not be possible, the Company uses spot foreign exchange contracts to the extent necessary to meet its obligations in other currencies. The Board does not consider there to be a significant unmitigated risk for the results of the Company.

Credit Risk

Sales are mainly carried out in cash or by credit card payments. Management has implemented controls to monitor the cash collections. Exposure to credit risk is limited to the amount of receivables from credit card processing companies. The receivables are stated net of provisions for doubtful debts estimated by management based on collections and economic conditions. The Company is not dependent on key customers and has no significant risk associated to any one customer. The directors consider that the carrying values of receivables approximate their fair value.

Liquid funds assets are placed with regulated banks in Switzerland, in Luxembourg and Great Britain. The year-end balances represent their fair value.

Liquidity Risk

The Company aims to mitigate liquidity risk by managing cash generation by its operations. The Board approves all major investment decisions as part of a project appraisal and approval process. The Board is constantly reviewing possible sources of funds in order to reduce the liquidity risk of the Company.

Capital Management

The primary objective of the Company's capital management is to ensure that the Company remains solvent at all times and is therefore able to support its business development and maximise shareholder value.

The Board monitors the capital requirements of the business at all times and has issued and will, in future, issue new shares in the market as deemed appropriate. Any assets deemed not necessary for the business are liquidated in order to provide additional resources to the Company. The Company has no outstanding loans and only a limited amount of financial leases.

27. Related parties

From February 2008 until February 2010, the Company was controlled by NobleRock Capital sàrl, a company incorporated under the laws of Luxembourg. Since February 2010 NobleRock Capital sàrl no longer holds the majority of the shares but it is still the major shareholder with 41.75 per cent. of the Company's shares. Other than remuneration paid to directors for their daily management of the Company's affairs, there were no other transactions with related parties. The acquisition of shares by Directors pursuant to the December placing was a related party transaction under the AIM Rules. The Company's Nominated Adviser, having consulted with the Directors, considered that the terms of this related party transaction were fair and reasonable insofar as the Company's shareholders are concerned.

28. Reconciliation of net cash flows from operating activities before movements in working capital

	2010 *CHF*	2009 *CHF*
Loss on ordinary activities before taxation	(1,667,447)	(3,013,973)
Adjustments for:		
Depreciation and amortisation	497,081	1,002,691
Deferred tax charge (credit)	(443,245)	9,974
Provisions for charges	—	—
Financial interest result	36,176	3,868
Operating cash flows before movements in working capital	(1,577,435)	(1,997,439)

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