Global Brands S.A.

Annual Report 2008

(STATUTORY)

GLOBAL BRANDS S. A.
Société Anonyme
Luxembourg

STATUTORY REPORTS AND ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

CONTENTS

NOTE for shareholders and investors

The accompanying statutory annual accounts and reports are presented in compliance with Luxembourg company law and generally accepted accounting practices in Luxembourg ("LuxGAAP").

Additionally in compliance with the regulatory requirements of the AIM (Alternative Investment Market) the Company prepares financial statements using IFRS (International Financial Reporting Standards). A statement reconciling the results and shareholders' equity under IFRS and LuxGaap is presented in Note 24 of these annual accounts.

The IFRS financial statements are available on the Company's web site **www.globalbrands.ch**, or on request at the Company's registered office.

COMPANY INFORMATION

Global Brands S.A. 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 Zürich through which Global Brands S.A. carries on its principal trading activity in Switzerland.

Registered number:	RCS Luxembourg B 70673
Registered office:	24 rue Jean l'Aveugle L - 1148 Luxembourg Postal Box 864, L - 2018
Branch Registered Address:	Schaffhauserstrasse 34 8006 Zürich Switzerland
Board of Directors:	Roberto Avondo Bruce Vandenberg Simon Bentley
Nominated Adviser:	ZAI Corporate Finance Ltd 12 Camomile Street London EC3A 7PT
Broker:	Alexander David Securities Limited 10 Finsbury Square London EC2A 1AD
Independent Auditors:	PKF ABAX Audit Luxembourg 7, rue Thomas Edison L - 1145 Luxembourg - Strassen
Registrar in the UK:	Computershare Investor Services Plc PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH
Registrar in Luxembourg:	International Corporate Services s.à.r.l. 24 rue Jean l'Aveugle L - 1148 Luxembourg Postal Box 864, L - 2018

DIRECTORS MANAGEMENT REPORT ON THE STATUTORY ANNUAL ACCOUNTS

Pursuant to article 68 of the law of 19 December 2002, the Board of Directors is required to present a Management report containing a review of the activities, the situation of the Company, important events after the year end and trading outlook.

The Vice Chairman's report and related Directors' report are presented in full in the Annual Report and related financial statements produced using International Financial Reporting Standards ('IFRS'). Below is a summary of those reports.

Review of the business

Global Brands S.A. ("Global Brands" or the "Company") 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 8,500 stores in more than 50 countries

Our 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.

Looking at how the Company performed during the year to 31 December 2008, our stores continue to provide sustained revenue growth with an increase of 6.95 per cent. in sales for the year 2008. The combined stores were operationally profitable. However the operating profit generated by the stores was insufficient to absorb indirect overhead expenditure and extraordinary items relating to the reorganisation of the management and sale of shares to Noble Rock s.à.r.l. ("formerly Belvia s.à.r.l.")

The Company has cash resources of CHF 1.6 million but trade and other current creditors, excluding provisions amount to CHF 3.3 million. The Company has obtained an irrevocable undertaking from NobleRock Capital sàrl, to provide financial support for an amount up to CHF 1 million until 30 June 2010 to settle the Company's obligations as they come due. The Company will also explore further funding opportunities during the year.

Financial Reporting

For the purpose of filing with AIM, financial statements have been prepared and presented using International Financial Reporting Standards ("IFRS"). The accompanying statutory annual accounts are drawn up in accordance with Luxembourg law using Luxembourg generally accepted accounting policies. The principal differences between IFRS financial statements and Luxembourg statutory annual accounts ("Lux GAAP") are:

- IFRS allows the recognition of a deferred tax asset in respect of expected foreseeable benefits arising from tax losses. Luxembourg law does not allow the recognition of unrealised earnings.
- IFRS allows that the charging of capital issue costs against the share premium account, whereas under Luxembourg law they are charged to the Profit and Loss account, amortised over a maximum period of five years.
- pre opening costs of stores are charged directly to Profit and Loss account under IFRS, but they may be amortized over five years under Luxembourg law.
- prior year adjustments are charged to equity under IFRS, but are taken to extraordinary charges/income under Luxembourg law.

Going Concern

At 31 December 2008 current liabilities, excluding provisions, exceed current assets by CHF 1.4 million. The Company has obtained an irrevocable undertaking from NobleRock Capital sàrl, to provide financial support for an amount up to CHF 1 million until 30 June 2010 to settle the Company's obligations as they come due. The Company will also explore further funding opportunities during the year.

On this basis, although the accumulated losses which exceed 75 per cent. of the share capital and share premium, the directors consider it is appropriate to draw up financial statements on a going concern basis for the foreseeable future and propose to continue the activities of the Company.

Post year end events

As announced on 20 March 2009, the non Executive Directors and I decided to suspend Mr Yair Hasson, and Mr Amir Hasson from all operational duties pending an investigation into their day to day management of the Company. We took this action in what we believed to be the best interests of the Company, its employees and the shareholders. Pending the outcome of the investigation, we requested that dealing in the ordinary shares of the Company on AIM be suspended with immediate effect.

On 14 May 2009, at a duly convened General Meeting, the resolution to dismiss Mr. Yair Hasson and Mr. Amir Hasson from the Board of the Company was passed by a majority of the votes cast.

On 20 May 2009, the Company announced that it had terminated, with immediate effect, the engagement of Mr Yair Hasson, pursuant to the terms of Mr Hasson's Appointment Agreement with the Company dated 11 February 2008. The Company terminated Mr Yair Hasson's engagement with the Company prior to the conclusion of its investigation because of Mr Yair Hasson's failure to comply with the terms of his suspension from the Company.

On 8 June 2008, the Directors announced that, following a formal disciplinary process, they had decided to terminate Mr Amir Hasson's engagement with immediate effect. The Directors took this decision on the grounds that there had been fundamental breaches by Mr Amir Hasson of the terms of his Appointment Agreement with the Company dated 11 February 2008.

Trading Outlook

Despite the current circumstance and the general economic environment, the Directors are confident about the mid and long term prospects for the Company.

The key strengths of the business are:

- a distinctive product brand;
- an emphasis on consistently high quality product as a result of stringent selection of high quality ingredients;
- an emphasis on speedy delivery and service to customers;
- staff training, exacting brand standards and the use of standardised processes;
- a loyal customer base;
- a market leading position;
- a cash generative business model at the operational level; and
- a business model that provides opportunities to roll-out further new stores at a low investment cost.

The effect of the economic recession on the Company remains uncertain, but Management is confident that its value for money products and quality service will sustain demand.

Business expansion through new stores will be constrained by funding available to the Company and the willingness of Swiss banks to offer corporate loan facilities. However, we believe in the strength of Domino's brand and the soundness of the business model. On this basis, in close cooperation with NobleRock Capital sàrl, we will continue to seek and explore opportunities to develop new stores and curb overheads in order to bring the Company on to a profitable track in the foreseeable future.

Directors

The members of the Board of Directors during the year ended 31 December 2008 are:

		Appointed	
Roberto Avondo	*Executive Vice Chairman*	12.02.2008	
Bruce Vandenberg	*Non Executive Director*	02.06.2008	
Simon Bentley	*Non Executive Director*	02.06.2008	
Yair Hasson	*Executive Chairman*	12.02.2008	Dismissed on 14.05 2009
Amir Hasson	*Chief Executive Officer*	02.06.2008	Dismissed on 14.05 2009

Resignations in connection with reorganisation of Board of Directors of February 2008

Yossi Moldawsky	Resigned on 12.02.2008
Dov Lachovitz	Resigned on 12.02.2008
Christopher Bodker	Resigned on 06.03.2008
Amir Raveh	Resigned on 02.06.2008
Matei Lecca	Resigned on 30.09.2008

Appropriation of results

In order to maintain a consistency between the IFRS accounts and Luxembourg statutory annual accounts, the Board proposes to transfer CHF 2,388,965 from the loss for the year to the share premium account and to carry forward the balance of the losses.

This internal transfer has no effect on shareholder's equity as stated under IFRS and Luxembourg GAAP.

Auditors

The re-appointment of PKF ABAX Audit Luxembourg as independent auditors will be proposed at the forthcoming Annual Meeting. Their report on the accompanying annual accounts is included in this Annual Report.

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 1 June each year, being Monday, 1st June 2009. Considering the investigation into the management of the Company's affairs, the annual General Meeting was postponed for a period of four weeks. Convening notice to shareholders will be sent to registered shareholders at eight days before the meeting.

On behalf of the Board

12 June 2009

Roberto Avondo　　Bruce Vandenberg

ABAX Audit
Réviseurs d'Entreprises

Romain Bontemps
Carlo Reding
Ronald Weber
Tom Pfeiffer

PKF
Luxembourg

To the Shareholders of
Global Brands S.A.

24 rue Jean l'Aveugle
L – 1148 Luxembourg

Luxembourg, June 12, 2009

Report on the annual accounts

Following our appointment by the General Meeting of the Shareholders dated June 2, 2008, we have audited the accompanying annual accounts of Global Brands S.A. (hereafter "the company"), which comprise the balance sheet as at December 31, 2008 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts 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

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Institut des Réviseurs d'Entreprises. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the Réviseur d'Entreprises, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts.

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

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Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Global Brands S.A. as of December 31, 2008, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Without qualifying our opinion, we draw attention to comments made in the Directors Management report on the statutory annual accounts and the Note 3 to the financial statements. The company incurred a net loss of CHF 2,905,497 during the year ended December 31, 2008 and, as of that date, the company's current liabilities, excluding provisions, exceeded its total current assets by CHF 1,381,721. At December 31, 2008 the accumulated losses exceed more than 75% of the share capital and share premium account. In accordance with article 100 of Luxembourg law of 10th August 1915 as modified, in the event of the loss of 75% of the share capital of the company, the directors are required to convene a shareholders' meeting within two months from the date that they note that the loss has arisen to deliberate on the continuity or liquidation of the company. Global Brands S.A. has received an irrevocable commitment from a major shareholder to provide financial support to the company, up to CHF 1 million, in view of settling its debt obligations as they become due and to support the investment pertaining to the development of the business. A comfort letter in this respect was signed on June 12, 2009.

Furthermore we draw your attention to the post balance sheet events as described in the Directors Management report on the statutory annual accounts relating to the dismissal of Mr Yair Hasson and Mr Amir Hasson as Executive Directors and the termination of their respective appointment agreements. At the date of our report we are not aware of any elements related to their dismissal and termination that would have led to material misstatements of the financial statements.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the board of directors, is consistent with the annual accounts.

Tom Pfeiffer
Partner

Ronald Weber
Partner

PKF ABAX Audit
Réviseurs d'entreprises

Profit and Loss Account

for the year ended 31 December 2008
(expressed in Swiss francs)

	Note	*2008* *CHF*	*2007* *CHF*
CHARGES			
Consumption of goods, raw materials and consumables		2,817,054	2,427,261
Other external charges	6	3,712,295	3,097,439
Staff costs	7	7,129,173	5,897,459
Value adjustments in respect of expenses for the extension of the business and of tangible and intangible assets		1,034,478	1,165,503
Interest payable and similar charges			
– other interest payable and charges	8	7,238	67,457
Extraordinary charges		—	824,732
Total charges		14,700,238	13,479,851
INCOME			
Net turnover		11,692,653	10,932,589
Increase in stocks		17,606	12,774
Interest receivable and similar income	9	84,482	106,939
Total income		11,794,741	11,052,302
Loss for the financial year		2,905,497	2,427,549
Total		14,700,238	13,479,851

The accompanying notes 1 to 24 are an integral part of these annual accounts.

Signed on behalf of the Board of Directors

Roberto Avondo
Director

Bruce Vandenberg
Director

Balance Sheet

As at 31 December 2008
(expressed in Swiss francs)

	Note	*2008* *CHF*	*2007* *CHF*
ASSETS			
EXPENSES FOR THE EXTENSION OF THE BUSINESS	10	—	342,240
FIXED ASSETS			
Intangible assets	11	140,108	174,327
Tangible assets	12	2,231,900	2,394,670
Financial assets	13	304,837	145,171
Total fixed assets		2,676,845	2,714,168
CURRENT ASSETS			
Stocks	14	245,354	227,748
Trade debtors			
– due within one year	15	7,000	50,144
Other debtors			
– due within one year		92,244	100,616
Cash at bank and in hand		1,624,992	2,775,455
Total current assets		1,969,590	3,153,963
Prepayments		13,807	—
Total assets		4,660,242	6,210,371

The accompanying notes 1 to 24 are an integral part of these annual accounts.

Signed on behalf of the Board of Directors

Roberto Avondo
Director

Bruce Vandenberg
Director

Balance Sheet

As at 31 December 2008
(expressed in Swiss francs)

	Note	*2008* *CHF*	*2007* *CHF*
LIABILITIES			
CAPITAL & RESERVES			
Subscribed capital	16	10,128,006	10,128,006
Share premium account	16	4,348,500	4,348,500
Profit/(loss) brought forward		(11,112,078)	(8,684,529)
Result–Loss for the year	23	(2,905,497)	(2,427,549)
Total capital & reserves		458,931	3,364,428
PROVISIONS FOR OTHER LIABILITIES AND CHARGES	17	801,863	914,732
CREDITORS			
Trade creditors			
– due within one year		2,091,494	1,135,534
Taxes and social security payable			
Taxes payable		62,217	6,166
Social security payable		329,049	129,367
Other creditors			
– due within one year		868,551	644,887
– due in more than one year	18	48,137	15,257
Total creditors		3,399,448	1,931,211
Total liabilities		4,660,242	6,210,371

The accompanying notes 1 to 24 are an integral part of these annual accounts.

Signed on behalf of the Board of Directors

Roberto Avondo
Director

Bruce Vandenberg
Director

Statement of Movements in Shareholders' Equity and Appropriation of Results
(Expressed in Swiss francs)

	Called up share capital CHF	*Share premium CHF*	*Accumulated losses CHF*	*Total CHF*
Balance at 31 December 2005	10,128,006	4,348,500	(7,082,596)	7,393,910
Loss for the year 31 December 2006	—	—	(1,601,933)	(1,601,933)
Balance at 31 December 2006	10,128,006	4,348,500	(8,684,529)	5,791,977
Loss for the year 31 December 2007	—	—	(2,427,549)	(2,427,549)
Balance at 31 December 2007	10,128,006	4,348,500	(11,112,078)	3,364,428
Loss for the year 31 December 2008	—	—	(2,905,497)	(2,905,497)
Balance at 31 December 2008	10,128,006	4,348,500	(14,017,575)	458,931

Notes to the Financial Statements (Statutory Annex)

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" franchise licences, concessions and rights for Switzerland, Lichtenstein and Luxembourg. Its current activities consist of the manufacture and sale of Domino's Pizza.

3 Basis of preparation

These statutory annual accounts have been prepared in accordance with Luxembourg law of 19 December 2002 using the historical cost accounting convention and Luxembourg generally accepted accounting practices (referred to as "LuxGaap") on a basis consistent with those adopted for the prior year and on a going concern basis. As permitted by article 29 (3) b) of the pre mentioned law, further information on grouped assets and liabilities is set out in the notes to these annual accounts.

The principal differences between these statutory accounts and financial statements prepared under IFRS are:

- deferred tax asset may be created under IFRS to recognise the future benefits of tax losses, but it is not allowed under Luxembourg law;
- capital issue costs were charged against the share premium account under IFRS whereas Luxembourg accounting requirement is to charge or amortise these costs to the profit and loss account.
- pre opening expenses of stores are charged to the profit and loss account under IFRS but may be capitalised and amortised over a maximum of 5 years under Luxembourg law unless a longer period can be justified

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.

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 uncollectible amounts, 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.

Going concern

The Company's current liabilities exceed it current assets by CHF 1.4 million which indicates that the Company may not be able to continue as a going concern. Management has received assurances from its major shareholder, NobleRock Capital sàrl that it will provide financial support to allow the Company to settle its debts as they become due. 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 financial support is discontinued 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.

4 Summary of significant accounting policies

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 licence

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.

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.

Foreign currency

Transactions in foreign currencies are translated at the 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. Balances represent their fair value. Short term bank overdrafts are obtained to meet working capital needs.

Trade payables

Trade payables are stated at their nominal 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 does not operate a defined pension contribution scheme or defined pension benefit scheme for its employees and directors

5 Revenues and results

Business segment

Turnover, operations, profits and net assets are attributable entirely to continuing activities from its single business segment of selling pizzas. The Company's turnover and trading results arise entirely in Switzerland.

Geographical segment

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

6 Other external charges

	2008 CHF	2007 CHF
Marketing costs and royalties	980,165	1,051,558
Administration and general expenses	2,732,130	2,045,881
	3,712,295	3,097,439

7 Staff costs

	2008 CHF	2007 CHF
Wages and salaries	5,642,275	4,735,545
Social security and state pension costs	531,066	475,142
Fees and costs of the Board of Directors	929,234	625,692
Other staff costs	26,599	61,080
	7,129,173	5,897,459

	CHF	CHF
Salaries and fees of directors and of companies under their control amounted to:	873,560	625,692
Remuneration to key members of management amounted to:	393,830	320,829

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.

The average number of employees by category was:

	N°	N°
Production and sales distribution	217	248
Administration	5	5
	222	253

8 Interest and financial charges

	2008 CHF	2007 CHF
Finance lease interest	4,866	2,415
Foreign currency losses	—	42,848
Other financial charges	2,371	22,194
	7,238	67,457

9 Interest and financial income

	2008 CHF	2007 CHF
Interest income	27,614	106,939
Foreign currency gains	56,868	—
	84,482	106,939

10 Expenses for the extension of the business

	2008 *CHF*	*2007* *CHF*
At cost		
At beginning of year	600,007	500,380
Additions	—	99,627
At the end of year	600,007	600,007
Amortisation		
At beginning of year	(257,767)	(137,766)
Charge of year	(342,240)	(120,001)
At the end of year	(600,007)	(257,767)
Net book value at the end of year	—	342,240

To retain a coherent comparison with the financial statements prepared under IFRS and the same accounting policies, the above charges were amortised fully in the year 2008.

11 Intangible fixed assets

At cost, in thousands of Swiss Francs

	Software *CHF*	*Licences* *CHF*	*Total* *CHF*
Year 2008			
Gross carrying amount at cost at 01/01/2008	99.5	354.0	453.5
Additions	2.0	—	2.0
Gross carrying amount at 31/12/2008	101.5	354.0	455.5
Accumulated amortisation brought forward	(88.0)	(191.1)	(279.1)
Amortisation charge for the year	(11.8)	(24.5)	(36.3)
Net book value at 31/12/2008	1.7	138.4	140.1
Year 2007:			
Gross carrying amount at cost at 01/01/2007	91.3	353.9	445.2
Additions	8.2	—	8.2
Gross carrying amount at 31/12/2007	99.5	353.9	453.4
Accumulated amortisation brought forward	(67.9)	(166.6)	(234.5)
Amortisation charge for the year	(20.1)	(24.5)	(44.6)
Net book value at 31/12/2007	11.5	162.8	174.3

Licences include an initial payment of CHF 328,901 to acquire the operating franchise licence “Dominos Pizza” for a period of 15 years in Luxembourg, Liechtenstein and Switzerland. At 31 December 2008, the licence expires in the year 2014 and is subject to renewal.

12 Tangible assets (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 2008					
Gross carrying amount at cost at 01/01/2008	—	4,075.6	376.6	824.0	5,276.2
Reclassification	254.4	(254.4)	—	—	—
Additions	—	406.9	13.4	72.1	492.4
Reduction	—	—	—	(102.7)	(102.7)
Gross carrying amount at 31/12/2008	254.4	4,228.1	390.0	793.4	5,665.9
Less accumulated depreciation					
– brought forward	—	(1,996.1)	(290.4)	(595.0)	(2,881.5)
– depreciation charge for the year	(4.6)	(418.4)	(62.2)	(170.0)	(655.2)
– disposals depreciation	—	—	—	102.7	102.7
Net book value at 31/12/2008	249.8	1,813.6	37.4	131.1	2,231.9
Year 2007					
Gross carrying amount at cost at 01/01/2007	—	3,707.1	337.5	739.2	4,783.8
Additions	—	368.5	39.1	84.8	492.4
Gross carrying amount at 31/12/2007	—	4,075.6	376.6	824.0	5,276.2
Less accumulated depreciation					
– brought forward	—	(1,204.7)	(229.7)	(446.2)	(1,880.6)
– depreciation charge for the year	—	(791.4)	(60.7)	(148.8)	(1,000.9)
Net book value at 31/12/2007	—	2,079.5	86.2	229.0	2,394.7

Reclassification: The investment in the store in Renens has been reclassified as land and buildings since the Company holds freehold title. The respective depreciation of the building for the year 2008 has been modified to 2 per cent. per annum.

The depreciation charge figure for fixtures, fittings & store equipment includes an exceptional impairment charge of CHF 367,137 in 2007 in respect of write-off of installations relating to the closing of the stores in Luzern and Biel.

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

	2008 CHF	*2007 CHF*
Equipment	54,313	73,359
Motor vehicles	88,347	92,588
Total	142,660	165,947

13 Financial assets

	2008 CHF	*2007 CHF*
Bank guarantee deposits	304,837	145,171

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

14 Stocks

	2008 CHF	2007 CHF
Raw materials – foods and beverages	150,334	146,302
Other consumables	95,020	81,446
	245,354	227,748

All stocks are stated at cost. Provision is made for write down in value.

15 Trade and other receivables

Amounts falling due within one year:

	2008 CHF	2007 CHF
Trade debtors	7,000	50,144
Other debtors, prepayments and accrued income	106,051	100,616
	113,051	150,760

16 Capital and reserves

Share capital

	2008 CHF	2007 CHF
Allotted, issued and fully paid up	10,128,006	10,128,006

Represented by 4,822,860 shares of CHF 2.10 each

The Company has one class of share which carries equal voting rights and rights to distributions of dividends from available retained earnings.

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 2008 and 2007 there were in circulation 388,812 options at £1.85, 48,299 options at £1.15 and 21,411 options at £0.90.

Share premium

	2008 CHF	2007 CHF
Premium on issue of new shares	4,348,500	4,348,500

Legal reserve

The Company is required 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 transfer. This transfer ceases when the legal reserve is equal to 10 per cent. of the subscribed share capital. The legal reserve is not available for distribution, except on dissolution. A legal reserve is not required since the Company has accumulated losses.

17 Provisions for other liabilities and charges

Charged in the current year

	2008 CHF	2007 CHF
Claims for compensation and benefits	726,863	804,732
Provisions for legal charges	75,000	110,000
	801,863	914,732

During 2008 Management has 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 outcome of these discussions is uncertain and the related retroactive financial effect, if any, cannot be determined yet with sufficient accuracy. In this respect, the Directors consider it prudent to maintain a provision of CHF 726,863 in these accounts at 31 December 2008 to cover any potential liability that may arise. An additional provision of CHF 75,000 is made to cover other claims by former employees and directors.

18 Creditors due after more than one year

	2008 *CHF*	*2007* *CHF*
Obligations under finance leases and hire purchase contracts	48,137	15,257

Obligations under finance leases in respect of equipment and vehicles are for periods of two to five years and are recorded as liabilities in the balance sheet. The lease contracts bear interest at rates of between 5 per cent. and 5.7 per cent. and are repayable in fixed monthly instalments 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:

	2008 *CHF*	*2007* *CHF*
In one year or less (classified as a current liability)	39,446	45,780
Between one and five years (classified as a non-current liability)	48,137	15,257
In five years or more (classified as a non-current liability)	—	—
	87,583	61,037
Aggregate minimum lease payments due under the contracts inclusive of finance charges amount to:	87,583	61,037
The finance charges therein amount to	4,866	2,415

19 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.

Under contractual commitments, the Company is obligated to pay performance remuneration to directors which are conditional on the Company achieving performance targets.

20 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.

	2008 *CHF*	*2007* *CHF*
Charge for operating leases for the year	462,058	396,968

The future minimum payments under these leases expire as follows:

In one year or less	309,777	396,191
Between one and five years	442,173	931,052
In five years or more	93,690	334,850
	845,640	1,662,093

21 Financial risk management

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

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 trade receivables and receivables from 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 trade and other receivables approximate their fair value.

Liquid funds assets are placed with regulated banks in Switzerland, Luxembourg and Great Britain. The balances represent their fair value. Short term bank overdrafts are obtained to meet working capital needs.

22 Related parties

As from February 2008 the Company is controlled by NobleRock Capital sàrl, a company incorporated under the laws of Luxembourg. Other than remuneration paid to directors for their daily management of the Company's affairs, there was no other transaction with related parties.

23 Reconciliation of equity and results under IFRS with LuxGAAP

The differences resulting from financial statements drawn up in accordance with IFRS and those drawn up in accordance with Luxembourg law and LuxGaap are summarised as follow:

	CHF	*CHF*
Shareholders' equity		
Equity under IFRS	1,099,745	4,158,806
less deferred tax asset	(640,814)	(1,136,618)
add establishment costs capitalised as an asset	—	342,240
Equity per Luxembourg statutory accounts	458,931	3,364,428
Reconciliation of results		
Loss under IFRS	(3,059,061)	(2,003,557)
less deferred tax asset credit	—	(403,618)
Write down deferred tax asset	495,804	—
Capitalisation of establishment costs	—	99,627
less amortisation of establishment costs	(342,240)	(100,076)
Loss per Luxembourg statutory accounts	(2,905,497)	(2,427,549)

24 Appropriation of results in the statutory accounts

In order to maintain a consistency between the IFRS accounts and Luxembourg statutory annual accounts, the Board proposes to transfer CHF 2,388,965 of the losses to the share premium account in the Luxembourg statutory accounts. This internal transfer has no effect on shareholder's equity as stated under IFRS and Luxembourg GAAP.