



© GLOBAL BRANDS SA
GROWING WINNING BRANDS

Annual Report 2009
(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 Zürich 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 9,000 stores in more than 60 countries.

Global Brands currently operates eleven 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	24 rue Jean l’Aveugle L – 1148 Luxembourg Postal Box 864, L – 2018
Branch Registered Address	Ifangstrasse 10 8302 Kloten Switzerland
Board of Directors	Simon Bentley, <i>Non-Executive Chairman</i> Robert Avondo, <i>Non-Executive Director</i> Bruce Vandenberg, <i>Chief Executive Officer</i>
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 (Jersey) Limited Queensway House Hilgrove Street St Helier Jersey JE1 1ES
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CHAIRMAN'S STATEMENT

As shareholders are aware, 2009 was an extremely challenging year for the Company. Following the suspension and subsequent dismissal of the Executive Chairman Yair Hasson and the CEO Amir Hasson, we had to restructure and refinance the business and recreate a new senior management team. These developments, combined with the challenging global economic conditions, had a negative impact on the 2009 operational performance. This only started improving in the final quarter in response to decisive action by the remaining team and strong support from all our stakeholders.

We have continued to build on those operational improvements in 2010. During the first four months of the year, like for like sales increased by 13 per cent. on the same period last year and the monthly trend line is positive. Monthly like for like sales for the first four months of 2010 compared to 2009 grew 7.4 per cent., 11.2 per cent., 14.5 per cent. and 19.1 per cent. respectively in January, February, March and April respectively.

Following a placing of CHF 1.9m in October 2009, we placed a further CHF 625k in February 2010. We noted then that we would be seeking further funds in the form of asset financing. However, as with many other businesses, we have found that the banking environment remains difficult. We are therefore delighted that our major shareholder, NobleRock Capital s.à r.l., has again stepped forward and offered the Company a convertible loan facility for CHF 1 million at an interest rate of 7 per cent. per annum at a conversion price of GBP 0.017. Roberto Avondo and I, as independent Directors, having consulted with the Company's Nominated Adviser, consider the terms of the transaction are fair and reasonable insofar as the shareholders are concerned. Accordingly, we have accepted the offer. This gives the Company the ability to implement its growth plans.

Finally, I would like to thank my fellow Directors, our employees, our business partners and suppliers, franchisor Domino's Pizza International and our shareholders for their support over this difficult period. We are confident in the new management team and look forward to the future.



Simon Bentley
Chairman

CHIEF EXECUTIVE'S REVIEW

Overview

I am delighted to be able to write to shareholders from a position of confidence. There is no doubt in my mind that we have completed one of the most difficult years in the Company's history. The work, dedication and commitment demonstrated by our employees and the on-going support of our suppliers, shareholders and franchisor Domino's Pizza International, over this period has been greatly appreciated.

Having now completed the first four months of 2010, it is clear that the measures implemented last year have continued to bear fruit.

Despite the closure of two stores, total sales for the first four months of 2010 were up 6.2 per cent. compared to last year. More importantly, the key performance indicator of like for like sales showed an impressive 13 per cent. growth on the first four months of 2009. Other key indicators including order count, average ticket, delivery times, labour costs and food costs have also shown a vast improvement.

We will open our twelfth store in Hongg today with additional openings planned for later in the year.

I am delighted with progress thus far and look forward to continuing to deliver improvements and positive results as we implement our growth strategy.

2009 – A Year of Change

Looking back over 2009, the year could not have started in a more challenging manner.

The difficult, yet necessary, suspension and subsequent dismissal of Executive Chairman Yair Hasson and CEO Amir Hasson, coupled with the global economic environment, meant that trading was always going to be tough. In addition, the Directors decided to close two poorly performing stores; Renes (Oct 2009) and Muttenez (Nov 2009). All these factors impacted overall sales which grew marginally by 0.75 per cent. to CHF 11.780m (2008: CHF 11.692m).

The historic mismanagement of the Company meant that much needed to be done to improve the underlying performance of the business. For far too long the fundamentals had been ignored and basic operating principles needed to be re-established to build a proper foundation for a profitable future.

The ability to own and operate profitable Domino's Pizza stores is proven the world over. The global Domino's franchise now exists in more than 63 markets in the form of more than 9,000 stores. This global success has been built on tried and tested business formulae, adapted for local market influences. I am determined and confident we can replicate that success in Switzerland.

Following the change of management, the Directors immediately undertook a strategic review of the business. We identified a number of key initiatives that underpinned the turnaround strategy that we deployed during 2009.

Prior to implementing the plan, it was necessary to make fundamental changes to management. In addition to the removal of certain executives, the Directors had to restructure the senior management team with a number of changes in key operational positions. I am pleased to report that it was not all one-way traffic out of the door. We were able to promote experienced, committed and dedicated members of the existing team to fill the vacancies in operations. We followed this up with the key appointments of Fyl Newington as COO (December 2009) and Andrew Moore as Financial Controller (February 2010).

Fyl previously held senior operating roles at First Quench Retailing. Prior to that, Fyl spent more than 20 years at Marks and Spencer (M&S), latterly in management roles in stores in both Financial and Commercial roles, then in International Franchise where he was responsible for store operations in developing European and emerging markets. Fyl also has substantial experience in e-commerce retail as well as significant experience in food service. The Company believes that his appointment significantly strengthens the team where his experience and background in operations and management will contribute to the Board's efforts in rolling out the Company's strategy.

Andrew has dual nationality status (Swiss and British) and brings a wealth of knowledge to the business, including many years spent in banking; fifteen years of which were spent with Credit Suisse in London and Zurich. Since then, Andrew has spent the last ten years in the Private Equity sector, often as CFO of start-ups. Andrew is a Certified European Financial Analyst, an Associate of the Chartered Institute of Taxation and a Fellow of the Institute of Chartered Accountants in England and Wales. Andrew holds a degree in Operational Research and Statistics and has a Diploma in Corporate Finance from the London Business School.

5-Point Plan

Following the strategic review, the Directors developed a plan for immediate implementation to reverse the decline. The plan was built around 5 key elements:

1. Value Proposition – get it right
2. Systems and Technology – use technology to improve performance and reduce cost
3. Logistics and Dough Production – outsource to professional partners at no extra cost
4. Marketing – engage effectively with Domino’s consumers across Switzerland
5. Menu Diversity – deliver a complete “meal solution” to the home

1. Value Proposition

We define our customers’ perception of value as the correct combination of price, product quality and service. If any one of these factors is out of sync, the business will start to decline.

Product quality has always been of a high standard in Switzerland. Most of the ingredients we use to make our pizzas are sourced fresh, locally and our cheese is viewed as one of the best in the Domino’s system worldwide. Whilst we continue to remain focused on delivering the best tasting pizzas, both price and service required attention.

a. Price, Order Count and Average Ticket

Domino’s Pizza is a volume dependent business. The interrelationship between price and the number of orders is critical. The number of orders processed per day, week or month (Order Count) is the lifeblood of the business and the first key indicator to decline if prices are raised too high.

The initial impact of an increase in prices is an increase in Average Ticket (the average amount spent per customer per order). This creates a short-term positive impact on sales but over the medium term Order Counts decline and sales begin to stagnate. This is evidenced by two price increases implemented in 2007 and 2008 which led to Order Count decline, particularly in our German language market (East Switzerland).

In August 2009, we reduced prices in our German language market (East Switzerland) by an average of 24 per cent. across all menu items compared to prices in August 2008. The impact was immediate with the like-for-like Order Counts increasing by 14 per cent. in Q4 2009 compared to Q4 2008. This positive trend continued in the first four months of 2010 where Order Counts increased by 21 per cent. compared to 2009; a performance enhanced by marketing support for the Zurich area stores.

The objective of reducing prices and increasing Order Counts is to drive volume so that overall sales increase sufficiently to offset the initial reduction in Average Ticket. Thereafter, a well-executed “up-sell” campaign and a more diversified menu lead to a long-term increase in Average Ticket, due to an increase in the number of products purchased per order. At this point the strength that has then been built in Order Counts multiplied by the higher Average Ticket produces strong quarter on quarter sales growth.

Since the price reduction was implemented in August 2009, the initial fall in sales in the German language market has been partly offset by a gradual increase in Average Ticket.

b. *Service*

Domino's Pizza are the pizza delivery experts worldwide.

Successful franchises are built off a service led ethos. It is critical that new and existing customers receive a memorable experience and quality pizzas that are delivered hot and within 30 minutes of being ordered.

Our focus on improving service in 2009 was centered on staff training and a reduction in the size of the delivery area. To this end we implemented a number of training initiatives including Domino's International Manager Training courses and the Swiss Gastro Patente qualification. We also reduced our delivery areas to enable delivery within nine minutes in order to guarantee that customers receive hot, freshly baked pizzas and to reduce our labour cost associated with overall time spent by drivers per delivery. Simultaneously, we invested in additional scooters to upgrade the existing fleet and meet the increase in overall demand.

The response thus far has been very positive with on time deliveries improving and labour costs reducing.

2. ***Systems and Technology***

Our review identified the need to improve our website in order to drive internet sales and to upgrade our in-store EPOS systems to maximise the benefits of management reporting tools and overall business control. During the year we upgraded all stores to the latest version of Domino's Pulse and installed a central server at our head office.

The consumer experience (front-end) of our e-commerce website was re-developed to improve the ordering and payment processes for customers. Since the new site was implemented, e-commerce orders have strengthened with orders for April 2010 comprising circa 20 per cent. of total sales.

3. ***Logistics and Dough Production***

The Directors reviewed the Company's internal logistics and dough production operations and concluded that there was vast room for improvement. The challenge was that the existing facilities were already at maximum capacity and not able to support our growth plans without substantial capital investment.

Consequently, we sought to find partners that would provide us with best of breed dough production and logistics management capabilities. We selected HAVI Logistics, the global food logistics specialists, to provide our logistics support and Deliciel, a leading bakery in Switzerland, to manufacture our dough.

The first deliveries to stores from Deliciel and HAVI Logistics took place on 23 November 2009. The change over was seamless. Both partners continue to provide an excellent service and a recent Domino's Pizza International Audit has commended the outsourced commissary function.

The benefits of their professional and organised approach have already impacted positively on store operations. Crucially, our ability to open stores without investing capital in this area of the business has meant that we are able to aggressively plan to open five new Company owned stores this year with capital being reserved for store construction and fit out rather than logistics and dough production equipment.

4. ***Marketing***

We have selected a leading marketing agency in the Swiss market, Marti Seiler, to help develop the Domino's brand. The team has significant experience in the Swiss market with brands including Lindt & Spungli and McDonalds.

Initial consumer research has led to a new menu flyer development and the introduction of new pizzas. Pasta and new desserts were introduced from mid April 2010. The research also shows the strong potential upside for the Domino's brand and products.

We are aware that successful operators of Domino's franchises maintain a steady investment in marketing. The nature of the business (delivering to households in close proximity to the store; nine minutes in our case) means that menu flyer distribution is still the most critical component of the marketing tools available. The company undertook little by way of marketing in the first half of 2009. Following our review, we increased marketing, particularly flyer distribution. Since the beginning of 2010, menu flyers have been distributed on a consistent basis and the results are evident in the store performance.

5. *Menu Diversity*

Developing a menu appropriate to the Swiss market, and in our case tailored to French or Swiss German tastes is a critical component in developing orders and repeat orders and underpins the composition of the order and therefore Average Ticket.

We are constantly striving to ensure that we offer sufficient menu options to provide complete meal solutions to our customers. As eating pizza is often a family experience, we have increased our menu to offer pasta dishes, salads, new desserts and expanded drink options.

We will continue to develop new menu items and are currently evaluating introducing oven baked sandwiches to improve lunch time trade.

Financial Review

The table below summarises the Company's performance and financial situation for 2009:

	<i>31 December</i>		<i>Increase (decrease)</i>
	<i>2009</i>	<i>2008</i>	
	<i>CHF '000's</i>	<i>CHF '000's</i>	
Turnover	11,780	11,692	0.75%
EBITDA	(2,057)	(1,948)	(5.30%)
Net loss for the year	(3,013)	(3,059)	1.53%
EPS (loss) per share	(0.08)	(0.13)	38.46%
Shareholders' equity	(45)	1,100	(104.09%)

The Company opened a new store in Geneva and closed the poorly performing store in Renens during 2009. Additionally, the Muttentz store which was opened by the previous management in early 2009, was subsequently closed following the strategic review which identified that the store was poorly positioned and unlikely to ever achieve profitability. At the end of the year the company had eleven stores in operation. These stores are located in the major cities of Basel, Geneva, Lausanne and Zürich and the important towns of Neuchâtel and Winterthur. The combined performance of these stores was operationally profitable.

The operating profits generated by the stores were insufficient to absorb indirect overhead expenditure including reorganisation and investigation charges, directors' fees and professional fees. Exceptional charges, including the investigation into the activities of the terminated directors, legal fees associated with this action and the closing of two stores, cost the Company CHF 0.8 million.

The resulting EBITDA was a loss of CHF 2.1 million (2008: CHF 1.9 million). After taking into account depreciation and amortisation, financial charges and income, the final result was a loss of CHF 3 million (2008: CHF 3 million).

As at 31 December 2009, the Company had cash resources of CHF 0.9 million but trade and other current creditors, excluding provisions, amounted to CHF 3.3 million. In order to alleviate the short-term liquidity shortfall as well as execute the Company's 2010 strategy, the company was able to raise funds as detailed below.

Other Corporate Developments

On 25 September 2009 the Company completed a restructuring of its share capital. This involved a share split where each existing share of CHF 2.10 became 105 new shares of CHF 0.02. Following this split 506,400,300 shares were in issue. The Company then cancelled 483,453,750 shares eliminating CHF 9,669,075 of losses from its shareholders' equity (Profit & Loss Account).

On 14 October 2009, the Company raised CHF 1.9 million through a placing of 66 million new shares at a price of GBP 0.018 per share.

Post Balance Sheet Events

In February 2010, the Company raised fresh capital totaling CHF 625,209 gross through a placing of 21,666,667 new shares at a price of GBP 0.018 per share. Following this issue the Company has a total number of shares outstanding of 110,613,217.

In April 2010, the Company completed the sale of its freehold property in Renens for CHF 250,000, net of costs.

We previously noted that we would be seeking further funds in the form of asset financing. However, as with many other businesses, we have found that the banking environment remains difficult.

NobleRock Capital s.à r.l. ("Noble") has again stepped forward and offered the Company 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 per share. The Company has accepted the offer and this gives us the ability to implement our growth plans for 2010 and beyond.

The convertible loan is unsecured and can be drawn down at the Company's option at any time in whole or in part up until June 30, 2011. Any drawn down amount will be automatically converted at the maturity date on June 30, 2011. In the event that the facility is fully drawn, conversion of the loan would increase Noble's shareholding from 41.63 per cent. to 55.8 per cent. of the issued share capital of the company.

Current Trading and Outlook

As indicated earlier, I am extremely positive about the future of the Company.

We now have a strong, well integrated management team that has the necessary skills, focus and commitment to drive the business forward. We have excellent partners in Domino's Pizza International and our suppliers. Our customers are responding well to the changes that we have made and all of our key indicators are headed in the right direction.

The table below shows the monthly sales trends:

	<i>Total Sales % increase on 2009</i>	<i>Like for Like Sales % increase on 2009</i>
January	2.7%	7.4%
February	5.7%	11.2%
March	5.9%	14.5%
April	10.8%	19.1%

The above has been primarily achieved through close management of store operations and consistent marketing.

Looking ahead, this year's plan includes:

1. Opening five new Company owned stores. This will commence with the opening of Hongg today. Four further stores will be opened later in the year. It is expected that two stores will be opened in the Geneva area and two stores in the Zurich area.
2. Doubling the marketing budget and further building the Domino's brand in Switzerland.

3. Diversifying the menu.
4. Working closely with Domino's Pizza International to develop the business to its full potential.
5. Opening non-standard stores (like kiosks) targeting high-volume public places and intensifying the use of the mobile unit.
6. Implementing the sub-franchising strategy.

Our longer-term objective is to have 50 Domino's stores comprising 20 Company-owned stores and 30 sub-franchisees.

Switzerland has a population of 7.5 million people with major international cities such as Geneva, Basel and Zurich, where we currently operate. It has a strong currency and a robust financial market. Additionally, the Global Brands operational management team 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 the Domino's franchise, but also with new franchises or joint ventures for other global brands in Switzerland and other European countries. We intend exploring such opportunities during the course of the year. I look forward to updating you further on our progress when we release our half year results later this year.



Bruce Vandenberg
Chief Executive Officer

5 May 2010

DIRECTORS' REPORT

The Directors are pleased to submit their annual management report and audited financial statements for the year ended 31 December 2009.

For the purpose of filing with AIM, financial statements have been prepared and presented using International Financial Reporting Standards ("IFRS"). Statutory annual Accounts presented in accordance with Luxembourg law are also drawn up and these are available at the registered office and the Registrar of Commerce and Societies in Luxembourg. The statutory annual accounts are presented in accordance with Luxembourg law which has adopted the EEC Fourth Directive on the presentation and content of annual Accounts and are drawn up in accordance with Luxembourg generally accepted accounting policies. The principal differences between IFRS financial statements and Luxembourg statutory annual Accounts are:

- IFRS permits 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 income.
- IFRS permits that capital issue costs are charged against the share premium account, whereas under Luxembourg law they are charged to the Income Statement, either fully or 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 5 years under Luxembourg law.
- prior year adjustments are charged to equity under IFRS, but are taken to extraordinary charges/income under Luxembourg law.

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 is carried out through its main branch in Zurich.

A review of the business is contained in the Chief Executive's Review.

Going Concern:

At 31 December 2009 current liabilities, including provisions, of the Company exceeded its current assets by CHF 2,821K.

In February 2010, the Company raised fresh capital totalling CHF 625,209 gross through a placing of 21,666,667 new shares at a price of GBP0.018 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.

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.

Business and financial risk management:

Information on business and financial risk management is given in note 25 of the accompanying financial statements.

Capital investments in the business:

Investments in new stores, equipment and vehicles were made for CHF 624.5K, financed partly by finance lease contracts.

The store in Renens was closed during the year and, as noted above, the Company has recently sold the store at a price approximating its net book value. A new store was opened in Muttentz but following poor results was closed shortly thereafter.

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

Deferred tax asset:

The Directors have decided to carry forward deferred tax assets of CHF 631K representing 21 per cent. of the pre tax losses for 2009.

The net effect is a charge to the profit and loss of CHF 10K.

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 2009. 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 s.à r.l., we 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

Changes to the Board of Directors during the year ended 31 December 2009 were:

		<i>Appointed</i>	<i>Dismissed</i>
Yair Hasson	<i>Executive Chairman</i>	12.02.2008	14.05.2009
Amir Hasson	<i>Chief Executive Officer</i>	02.06.2008	14.05.2009

Following the dismissals, Simon Bentley was elected as Chairman of the Board to replace Yair Hasson. Bruce Vandenberg was elected as Chief Executive.

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 as follows which expire in the years 2015-2016, as follows:

<i>Exercise Price</i> <i>(pence)</i>	<i>Number of shares</i> <i>under option</i>	
	<i>2009</i>	<i>2008</i>
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.

Shareholders

From February 2008 until February 2010 the Company was controlled by NobleRock Capital s.à r.l., a Luxembourg company, which currently holds 41.63 per cent. of the Company's issued shares. The ultimate beneficial owner of NobleRock Capital s.à r.l. is Mr. Alexandre Gaydamak.

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

	<i>% of issued share capital</i>
NobleRock Capital s.à r.l.	41.63%
Raven Nominees Ltd	15.06%
Pershing International Nominees Ltd	3.43%
Lewis Charles Nominees Ltd	4.78%

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.

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 2009 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.

Accountability and Audit

1. *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.

2. *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.

3. **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.

4. **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.

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 remuneration, training and development and health and safety.

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 71,643 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.

Auditors

The re-appointment of PKF ABAX Audit Luxembourg as independent auditors will be proposed at the forthcoming Annual Meeting. Their report on these financial statements 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 the 1st working day in June each year, this year being Tuesday, 1 June 2010. A convening notice to shareholders will be sent to registered shareholders at least two weeks before the meeting.

On behalf of the Board

5 May 2010



Simon Bentley



Roberto Avondo

REPORT OF THE AUDITOR

Report on the financial statements of Global Brands S.A. as of December 31, 2009

ABAX Audit
Cabinet de révision agréé

PKF

Luxembourg

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L-1148 Luxembourg

Romain Bontemps
Carlo Reding
Ronald Weber
Tom Pfeiffer
Luc Brucher

To the Shareholders of
Global Brands S.A.

Report on the financial statements

Following our appointment by the General Meeting of the Shareholders dated June 29, 2009, we have audited the accompanying financial statements of Global Brands S.A. (hereafter "the company"), which comprise the balance sheet as at December 31, 2009, 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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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, 2009, 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 Chairman's statement and Chief Executives' review and the Note 4 to the financial statements which indicate that the Company incurred a net loss of CHF 3,013,973 during the year ended December 31, 2009 and, as of that date, the Company's current liabilities exceeded its total current assets by CHF 2,821,012. At December 31, 2009 the accumulated losses exceed more than 75 per cent. of the share capital and share premium account. Global Brands S.A. has received an irrevocable commitment from a major shareholder to provide financial support to the company by a convertible loan facility for 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 May 3, 2010.

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, May 4, 2010

PKF ABAX Audit
Cabinet de révision agréé

Represented by



Luc Brucher
Réviseur d'entreprises agréé



Tom Pfeiffer
Réviseur d'entreprises agréé

Statement of Income

<i>(Expressed in Swiss francs)</i>	<i>Notes</i>	<i>2009 CHF</i>	<i>2008 CHF</i>
Revenue from sales	6	11,779,934	11,692,653
Cost of sales		<u>(2,990,154)</u>	<u>(2,799,448)</u>
Gross profit		8,789,780	8,893,205
Staff costs	8	(7,298,365)	(7,129,173)
Administrative expenses	9	<u>(3,548,430)</u>	<u>(3,712,295)</u>
Loss from operations before depreciation & amortisation		(2,057,015)	(1,948,263)
Depreciation and amortisation	13 & 14	<u>(1,002,691)</u>	<u>(692,238)</u>
Loss from operations before financial result		(3,059,706)	(2,640,501)
Interest and financial income	10	63,268	84,482
Interest and financial charges	11	<u>(7,561)</u>	<u>(7,238)</u>
Loss on ordinary activities	6	(3,003,999)	(2,563,257)
Write down in value of deferred tax asset	16	<u>(9,974)</u>	<u>(495,804)</u>
Loss for the year		<u><u>(3,013,973)</u></u>	<u><u>(3,059,061)</u></u>
<i>Basic earnings/(loss) per share</i>	7	(0.08)	(0.13)
<i>Diluted earnings/(loss) per share</i>	7	(0.08)	(0.13)

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

Statement of Income Comprehensive Income

<i>(Expressed in Swiss francs)</i>	<i>2009 CHF</i>	<i>2008 CHF</i>
Loss for the year	(3,013,973)	(3,059,061)
Adjustments per IFRS 1	<u>—</u>	<u>—</u>
Total comprehensive loss for the year	<u><u>(3,013,973)</u></u>	<u><u>(3,059,061)</u></u>

Balance Sheet

		2009	2008
		CHF	CHF
<i>(Expressed in Swiss francs)</i>	<i>Notes</i>		
ASSETS			
Non-current assets			
Intangible assets	13	98,703	140,108
Property, plant and equipment	14	1,895,355	2,231,900
Financial assets	15	175,474	304,837
Deferred tax asset	16	630,840	640,814
Total non-current assets		<u>2,800,372</u>	<u>3,317,659</u>
Current assets			
Stocks	17	276,544	245,354
Trade and other receivables	18	147,790	113,051
Cash at banks and in hand		877,011	1,624,992
Total current assets		<u>1,301,345</u>	<u>1,983,397</u>
Total assets		<u><u>4,101,717</u></u>	<u><u>5,301,056</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Called up share capital	19	1,778,931	10,128,006
Share premium	19	2,508,760	1,959,535
Accumulated losses		(4,332,697)	(10,987,796)
Shareholders' equity		<u>(45,006)</u>	<u>1,099,745</u>
Non-current liabilities			
Obligations under finance leases	20	24,366	48,137
Total non-current liabilities		<u>24,366</u>	<u>48,137</u>
Current liabilities			
Trade and other payables	21	3,338,183	3,311,865
Provisions for other liabilities and charges	22	750,000	801,863
Obligations under finance leases	20	34,174	39,446
Total current liabilities		<u>4,122,357</u>	<u>4,153,174</u>
Total equity and liabilities		<u><u>4,101,717</u></u>	<u><u>5,301,056</u></u>

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

Statement of Cash Flows

(Expressed in Swiss francs)

	Notes	2009 CHF	2008 CHF
OPERATING ACTIVITIES			
Net cash flows applied to operations activities before movements in working capital	27	(1,997,439)	(1,890,782)
Decrease/(increase) in stocks		(31,190)	(17,606)
Decrease/(increase) in trade and other receivables		(34,739)	37,709
Increase/(decrease) in creditors and provisions		(25,545)	1,328,822
Net cash flows applied to operations		<u>(2,088,913)</u>	<u>(541,857)</u>
INVESTING ACTIVITIES			
Payments to acquire fixtures, equipment motor vehicles and software		(603,317)	(423,223)
Interest received		1,947	24,629
Deposits (made)/repaid		129,363	(159,666)
Net cash inflows (outflows) from investing activities		<u>(472,007)</u>	<u>(558,260)</u>
FINANCING ACTIVITIES			
Funds raised through issuance of shares		1,869,222	—
Payments under finance lease obligations		(50,467)	(45,480)
Interest paid		(5,815)	(4,866)
Net cash inflows (outflows) from financing activities		<u>1,812,940</u>	<u>(50,346)</u>
Increase/(decrease) in cash & cash equivalents during the year		<u>(747,981)</u>	<u>(1,150,463)</u>
Cash and cash equivalents:			
– balance at beginning of the year		1,624,992	2,775,455
– balance at end of the year		877,011	1,624,992
Increase/(decrease) in cash & cash equivalents during the year		<u>(747,981)</u>	<u>(1,150,463)</u>
Cash and cash equivalents are represented by :			
Cash at banks and in hand		877,011	1,624,992
Due to banks		—	—
Net cash and cash equivalents at end of the year		<u>877,011</u>	<u>1,624,992</u>

Statement of Movements in Shareholders' Equity

<i>(Expressed in Swiss francs)</i>	<i>Called up share capital CHF</i>	<i>Share premium CHF</i>	<i>Accumulated losses CHF</i>	<i>Total CHF</i>
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	<u>1,778,931</u>	<u>2,508,760</u>	<u>(4,332,696)</u>	<u>(45,006)</u>

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 franchise licences, concessions and rights for Switzerland, Leichtenstein and Luxembourg. Its current activities consist of the promotion, manufacture and sale of Domino’s Pizza.

3 Directors’ responsibility

The annual report and financial statements drawn up under IFRS were approved by the Board of Directors on 4 May 2010. The IFRS financial statements may be changed only by the Board of Directors and are not subject to approval by shareholders.

The statutory annual accounts for the year ended 31 December 2009 are drawn up in accordance with Luxembourg law and they will be submitted to shareholders for approval at the annual general meeting. Statutory annual accounts for the year ended 31 December 2008 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 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 IFRS financial statements differ from the statutory accounts as follows:

- IFRS permits 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 income.
- IFRS permits that capital issue costs are charged against the share premium account, whereas under Luxembourg law they are charged to the Income Statement, either fully or 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 5 years under Luxembourg law.
- prior year adjustments are charged to equity under IFRS, but are taken to extraordinary charges/ income under Luxembourg law.

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 2.8 million which indicates that the Company may not be able to continue as a going concern. New shares were issued in February 2010 which resulted in a net cash inflow of CHF 625,209 to the Company. Management has received a convertible loan from its largest shareholder, NobleRock Capital s.à r.l., which provides up to CHF 1 million in order 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.

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.

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 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.

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 an 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 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. 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 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.

International Financial Reporting Standards (IFRS)

IFRS 9 – Financial Instruments (not yet endorsed by the EU)

January 1 2013

International Accounting Standards (IAS)

IAS 27 – Consolidated and separate financial statements (Amendments)

July 1 2009

International Financial Reporting Interpretations Committee (IFRIC)

IFRIC 17 – Distribution of non cash assets to owners

January 1 2010

These standards will, for the most part, apply to the financial statements for the period ending December 31 2010, however the change in accounting policy is to be applied prospectively.

6 Revenues and results

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

	2009 CHF	2008 CHF
Depreciation of:		
– property, plant and equipment owned	883,928	547,516
– property, plant and equipment held under finance leases	77,159	107,857
Amortisation of intangible fixed assets	41,605	36,865
Included in administration expenses are:		
– operating lease rental charges	656,444	462,058
– auditors' remuneration – audit services	88,490	38,590
Foreign currency gain (loss)	61,320	56,868

Segment Information

The Company holds the master Franchise Agreement for Domino's Pizza for Switzerland, Luxembourg and Liechtenstein. In the financial year 2009 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. These segments are defined by the languages being used, namely French in the west and Swiss German in the east. Of the 11 operating locations in Switzerland as at the end of 2009, 6 are in the west region and 5 in the east region.

	2009				2008			
	East CHF'000	West CHF'000	Unallocated CHF'001	Total CHF'000	East CHF'000	West CHF'000	Unallocated CHF'001	Total CHF'000
Segment revenue								
Sales to external customers	4,081	7,699		11,780	3,717	7,976		11,693
Food Cost	961	1,589		2,550	770	1,628		2,398
Food percentage	23.6%	20.7%		21.7%	20.7%	20.4%		20.5%
Labour cost	2,362	3,334		5,696	1,679	3,051		4,730
Labour percentage	57.9%	43.4%		48.4%	45.2%	38.2%		40.4%
Order count	136,427	215,912		352,339	116,036	227,999		344,035
Average Ticket (CHF)	29.76	35.53		33.29	32.03	34.99		33.99
Interest revenue			63	63			84	84
Interest expense			8	8			7	7
Depreciation/ Amortisation	460	348	195	1,003			692	692
Assets								
Segment Assets	969	823		1,793	–	–		–
Unallocated Assets				2,309	–	–		5301
Total Assets	969	823		4,102	–	–		5301

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.

The Company has not produced all information required by IFRS 8 since the time and effort involved would have been disproportionate to the information gained.

Geographical segment:

Turnover and results are attributable primarily 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. During the year the company undertook a capital restructuring and issued new shares (see note 19) and the comparative earnings per share have been adjusted to reflect these changes. The elements used in the calculation are:

	<i>2009</i>	<i>2008</i>
Number of issued shares of CHF 0.02 each	88,946,550	22,946,550
The weighted average number of shares in circulation during the year was:	37,050,660	22,946,550
	<i>CHF</i>	<i>CHF</i>
Loss for the year	(3,013,973)	(3,059,061)
Basic earnings (loss) per share	(0.08)	(0.13)

The directors consider that there is no dilutive effect of 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

	<i>2009</i>	<i>2008</i>
	<i>CHF</i>	<i>CHF</i>
Wages and salaries	6,227,759	5,642,275
Social security and state pension costs	536,063	531,066
Fees and costs of the Board of Directors	417,701	929,234
Other staff costs	116,842	26,599
	<u>7,298,365</u>	<u>7,129,173</u>
	<i>CHF</i>	<i>CHF</i>
Salaries and fees of directors and of companies under their control amounted to:	363,681	873,560
Remuneration to key members of management amounted to:	599,690	393,830

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:

	<i>No</i>	<i>No</i>
Production and sales distribution	249	217
Administration	5	5
	<u>254</u>	<u>222</u>

9 Administrative expenses

	2009 CHF	2008 CHF
Marketing costs and royalties	924,306	980,165
Administration and general expenses	2,624,124	2,732,130
	<u>3,548,430</u>	<u>3,712,295</u>

10 Interest and financial income

	2009 CHF	2008 CHF
Interest income	1,947	27,614
Foreign currency gains	61,321	56,868
	<u>63,268</u>	<u>84,482</u>

11 Interest and financial charges

	2009 CHF	2008 CHF
Finance lease interest	5,816	4,866
Other financial charges	1,745	2,371
	<u>7,561</u>	<u>7,238</u>

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 2009 and 2008. 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.

	2009 CHF	2008 CHF
The tax charge is determined as follows:		
Pre tax loss for the year before tax	(3,013,973)	(3,059,061)
Swiss tax rate	21% to 25%	21% to 25%
Expected tax charge for the year:	—	—
The effective tax rates on profits are:		
Luxembourg	28.59%	29.63%
Switzerland	25.00%	25.00%

13 Intangible fixed assets

<i>At cost, in thousands of Swiss Francs</i>	<i>Software CHF</i>	<i>Licences CHF</i>	<i>Total CHF</i>
Year 2009			
Gross carrying amount at cost at 01/01/2009	101.5	354.0	455.5
Additions	0.2	—	0.2
Gross carrying amount at 31/12/2009	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 31/12/2009	3.0	95.7	98.7
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

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

14 Property, plant and equipment

<i>At cost, in thousands of Swiss Francs</i>	<i>Land and buildings CHF</i>	<i>Store fixtures, fittings & equipment CHF</i>	<i>Office furniture & equipment CHF</i>	<i>Motor vehicles CHF</i>	<i>Total CHF</i>
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 31/12/2009	254.4	4,615.3	444.4	947.9	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 31/12/2009	245.2	1,376.3	63.9	210.0	1,895.4

<i>At cost, in thousands of Swiss Francs</i>	<i>Land and buildings CHF</i>	<i>Store fixtures, fittings & equipment CHF</i>	<i>Office furniture & equipment CHF</i>	<i>Motor vehicles CHF</i>	<i>Total CHF</i>
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
<i>Less accumulated depreciation</i>					
– 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	<u>249.8</u>	<u>1,813.6</u>	<u>37.4</u>	<u>131.1</u>	<u>2,231.9</u>

Reclassification: Certain motor vehicles which were removed from service in 2008 have been included under this heading in 2009.

Assets held for Sale: Following the closure of the branches in Renens and Muttenz, the Company has sold the freehold premises in Renens and disposed of the equipment in both locations. The freehold property in Renens had been written down to CHF 250,000 which is the price the Company was able to achieve net of costs. The store equipment and installations have been transferred to other locations or sold. The store equipment and installations have been written down to CHF 10,949 in Muttenz and CHF 10,000 in Renens.

The depreciation charge figure for fixtures, fittings & store equipment includes an exceptional impairment charge of CHF 455,097 in 2009 in respect of the write-off of installations relating to the closing of the stores in Renens and Muttenz (as mentioned above).

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

	<i>2009 CHF</i>	<i>2008 CHF</i>
Equipment	26,980	54,313
Motor vehicles	54,947	88,347
Total	<u>81,927</u>	<u>142,660</u>

15 Financial assets

	<i>2009 CHF</i>	<i>2008 CHF</i>
Bank guarantee deposits	<u>175,474</u>	<u>304,837</u>

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

16 Deferred tax asset

	<i>2009 CHF</i>	<i>2008 CHF</i>
Balance at beginning of year	640,814	1,136,618
Write down in value of deferred tax asset	(9,974)	(495,804)
Balance at end of year	<u>630,840</u>	<u>640,814</u>

The Directors have resolved to reduce the value of the deferred tax asset created in prior years and to carry forward the pre tax loss of the year 2009 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.

	<i>2009</i> <i>CHF</i>	<i>2008</i> <i>CHF</i>
The deferred tax was determined as follows:		
Swiss tax losses to set off against future profits:	3,003,999	2,563,257
Deferred tax asset on Swiss tax losses at a tax rate of 21% (2008 25%)	<u>630,840</u>	<u>640,814</u>

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

17 Stocks

	<i>2009</i> <i>CHF</i>	<i>2008</i> <i>CHF</i>
Raw materials – foods and beverages	207,806	150,334
Other consumables	68,738	95,020
	<u>276,544</u>	<u>245,354</u>

All stocks are stated at cost which approximates their fair values. Provision is made for write down in value.

18 Trade and other receivables

	<i>2009</i> <i>CHF</i>	<i>2008</i> <i>CHF</i>
Amounts falling due within one year:		
Trade debtors	5,000	7,000
Other debtors, prepayments and accrued income	142,790	106,051
	<u>147,790</u>	<u>113,051</u>

19 Capital and reserves

Share capital

	<i>2009</i> <i>CHF</i>	<i>2008</i> <i>CHF</i>
Allotted, issued and fully paid up at beginning of year	10,128,006	10,128,006
Cancellation of old shares of CHF 2.1 each	(9,669,075)	—
Issue of new shares of CHF 0.02 each	1,320,000	—
Allotted, issued and fully paid up at end of year	<u>1,778,931</u>	<u>10,128,006</u>

Represented by 88,946,550 shares of CHF 0.02 each (2008: 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. On 25 September 2009 the Company carried out a restructuring of its share capital in order to reduce the losses carried forward by offsetting against share capital. This involved a share split whereby each existing share of CHF 2.10 became 105 new shares of CHF 0.02. Following this split which meant that 506,400,300 shares were in issue, the Company cancelled 483,453,750 shares thereby absorbing CHF 9,669,075 of losses from its Profit & Loss Account. On 14 October 2009, the Company raised CHF 1.9 million of fresh capital via the issue of 66 million shares at a price of £0.018 per share.

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 2009 and 2008 there were in circulation 1,849,918 options at £0.389, 229,467 options at £0.242 and 101,871 options at £0.189.

	<i>2009</i>	<i>2008</i>
	<i>CHF</i>	<i>CHF</i>
Share premium – on issue of new shares		
Balance at beginning of year	1,959,535	4,348,500
Increase during the year	620,868	—
Less charges of raising finance	(71,643)	(2,388,965)
Share premium balance at end of year	<u>2,508,760</u>	<u>1,959,535</u>

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.

20 Non-current liabilities

	<i>2009</i>	<i>2008</i>
	<i>CHF</i>	<i>CHF</i>
Obligations under finance leases and hire purchase contracts	<u>24,366</u>	<u>48,137</u>

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 7.35 per cent. and 11.5 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:

	<i>2009</i>	<i>2008</i>
	<i>CHF</i>	<i>CHF</i>
In one year or less (classified as a current liability)	34,174	39,446
Between one and five years (classified as a non-current liability)	24,366	48,137
In five years or more (classified as a non-current liability)	—	—
	<u>58,540</u>	<u>87,583</u>
Aggregate minimum lease payments due under the contracts inclusive of finance charges amount to:	<u>58,540</u>	<u>87,583</u>
The finance charges therein amount to	<u>7,288</u>	<u>4,866</u>

21 Trade and other payables

	<i>2009</i>	<i>2008</i>
	<i>CHF</i>	<i>CHF</i>
Amounts falling due within one year		
Trade creditors	1,627,850	2,091,494
Taxes and social security	689,392	391,266
Other creditors, accruals and deferred income	1,020,941	829,105
	<u>3,338,183</u>	<u>3,311,865</u>

As at December 31 2009 the company had some payment delays with respect to social security and certain 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 2010.

22 Provisions for other liabilities and charges

	2009 CHF	2008 CHF
Brought forward from 2008	801,863	—
Charged in the current year:		
Claims for compensation and benefits	(51,863)	726,863
Provisions for legal charges	—	75,000
Balance carried forward 31.12.2009	<u>750,000</u>	<u>801,863</u>

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 is currently contesting cases from employees or former employees and the outcome of these cases together with their financial impact is uncertain. Furthermore a legal case is pending following the dismissal of two executive members of the Board in 2009. The Directors therefore consider it prudent to maintain a provision of CHF 750,000 as at 31 December 2009 in order to cover any potential liability that may arise from these cases.

23 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.

24 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.

	2009 CHF	2008 CHF
Charge for operating leases for the year	<u>656,444</u>	<u>462,058</u>
The future minimum payments under these leases mature as follows:		
In one year or less	490,787	309,777
Between one and five years	1,277,972	442,173
In five years or more	209,861	93,690
	<u>1,978,620</u>	<u>845,640</u>

25 Financial risk management

The Company's turnover is primarily 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.

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 trade receivables 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. As a result the value of the Company's non Swiss Franc liabilities and cash flows can be affected by movements in exchange rates. Wherever possible the Company tries to match funds available in one particular currency with expenditures in the same currency, however should this is 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 trade receivables and 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 trade and other 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 volume of financial leases.

26 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 41.63 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.

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

	<i>2009</i>	<i>2008</i>
	<i>CHF</i>	<i>CHF</i>
Loss on ordinary activities before taxation	(3,013,973)	(3,059,061)
Adjustments for:		
Depreciation and amortisation	1,002,691	692,238
Deferred tax charge (credit)	9,974	495,804
Provisions for charges	—	—
Financial interest result	3,868	(19,763)
Operating cash flows before movements in working capital	<u>(1,997,439)</u>	<u>(1,890,782)</u>

28 Reconciliation of equity and results under IFRS to Luxembourg statutory annual accounts

	<i>2009</i>	<i>2008</i>
	<i>CHF</i>	<i>CHF</i>
Shareholders' equity		
Equity under IFRS	(45,006)	1,099,745
less deferred tax asset	<u>(630,840)</u>	<u>(640,814)</u>
Shareholders' equity per Luxembourg statutory accounts	<u>(675,846)</u>	<u>458,931</u>
Reconciliation of results		
Loss under IFRS	(3,013,973)	(3,059,061)
Less deferred tax asset credit		
Write down deferred tax asset	9,974	495,804
Less amortisation of establishment costs	—	(342,240)
Loss per Luxembourg statutory accounts	<u>(3,003,999)</u>	<u>(2,905,497)</u>

The differences in equity and results arise from the different treatment of deferred tax asset and pre-opening charges of stores.



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