



Annual Financial Statements 2013



Ernst & Young Ltd
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To the General Meeting of
CRB S.A., Puidoux

Lausanne, 9 April 2014
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Report of the statutory auditor on the limited statutory examination

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of CRB S.A. for the year ended 31 December 2013. The limited statutory examination of the prior period financial statements was carried out by another statutory auditor who expressed an unmodified statement on those financial statements on 12 April 2013.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the limited statutory examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Ernst & Young Ltd

Pierre Delaloye
Licensed audit expert
(Auditor in charge)

Alexandre Volet
Licensed audit expert

Enclosures

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

BALANCE SHEET AS OF DECEMBER 31, 2013

ASSETS	December 31, 2013		December 31, 2012	
	CHF		CHF	
Current assets				
Cash and cash equivalents	2.892.480		5.089.613	
Trade receivables	7.713.892		7.073.676	
- from third parties	6.652.414		5.994.022	
- from Group Companies	1.061.478		1.077.591	
- from Shareholder	-		2.063	
Other assets	313.969		212.389	
Accrued income and prepaid expenses	260.382		-	
Inventories	3.348.343		3.916.192	
	<u>14.529.065</u>	66,3%	<u>16.291.869</u>	68,0%
Non-current assets				
Tangible assets				
Puidoux industrial building	5.160.673		5.494.774	
Land Puidoux	858.128		858.128	
Facilities and equipments	1.331.783		1.273.193	
Financial assets				
Security deposits	20.800		20.800	
Investments	30.000		28.800	
	<u>7.401.384</u>	33,7%	<u>7.675.695</u>	32,0%
Total assets	<u>21.930.449</u>	100,0%	<u>23.967.564</u>	100,0%
LIABILITIES AND EQUITY				
	December 31, 2013		December 31, 2012	
	CHF		CHF	
LIABILITIES				
Current liabilities				
Trade payables	2.566.228		1.988.641	
- to third parties	1.510.787		1.220.754	
- to Group Companies	192.351		-	
- to Shareholder	863.090		767.887	
Advances from customers	650.316		1.415.745	
Accrued liabilities	567.224		848.266	
Mortgage loan, short term part	220.000		220.000	
	<u>4.003.768</u>	18,3%	<u>4.472.652</u>	18,7%
Non-current liabilities				
UBS, Mortgage loan for warehouse and production area	2.040.000		2.160.000	
BCV, Mortgage loan building	1.650.000		1.750.000	
Loans from Group Companies	3.400.000		100.000	
	<u>7.090.000</u>	32,3%	<u>4.010.000</u>	16,7%
Provisions for risk and charges				
Provision for inventory writedowns	1.115.000		1.305.000	
Provision for doubtful debts	568.041		508.871	
Provision for manufacturing risk	730.000		759.000	
	<u>2.413.041</u>	11,0%	<u>2.572.871</u>	10,7%
EQUITY				
Share capital	100.000		100.000	
Legal reserve	50.000		50.000	
Retained earnings	3.762.042		6.966.635	
Profit for the year	4.511.597		5.795.407	
	<u>8.423.639</u>	38,4%	<u>12.912.042</u>	53,9%
TOTAL LIABILITIES AND EQUITY	<u>21.930.448</u>	100,0%	<u>23.967.564</u>	100,0%

PROFIT AND LOSS STATEMENT 2013

	2013		2012	
	CHF		CHF	
Net sales	36.514.257	100,0%	37.968.449	100,0%
<i>Less:</i>				
Material and merchandise expense	-12.799.680	-35,1%	-12.844.814	-33,8%
Gross profit	23.714.577	64,9%	25.123.635	66,2%
Personnel expense	-10.654.224	-29,2%	-10.324.289	-27,2%
Subcontracting cost	-442.973	-1,2%	-496.861	-1,3%
Leases and rents	-402.191	-1,1%	-415.480	-1,1%
Maintenance and repairs	-584.377	-1,6%	-653.223	-1,7%
Vehicles expense	-31.171	-0,1%	-25.989	-0,1%
Insurances	-46.946	-0,1%	-56.189	-0,1%
Administrative and postal cost	-612.879	-1,7%	-567.291	-1,5%
Advertising and representation cost	-502.769	-1,4%	-395.093	-1,0%
Sales commissions	-1.144.687	-3,1%	-714.984	-1,9%
Miscellaneous operating expenses	-2.024.568	-5,5%	-2.118.361	-5,6%
	-16.446.786	-45,0%	-15.767.759	-41,5%
Operating profit (EBITDA)	7.267.791	19,9%	9.355.876	24,6%
Depreciations of industrial building	-388.438	-1,1%	-413.585	-1,1%
Depreciations of equipment and facilities	-583.549	-1,6%	-642.558	-1,7%
Depreciations of goodwills, patents, R&D	-517.126	-1,4%	-342.952	-0,9%
Changes for inventory writedowns, doubtful debts, manufact. risk	169.694	0,5%	-235.207	-0,6%
	-1.319.419	-3,6%	-1.634.302	-4,3%
Operating profit (EBIT)	5.948.372	16,3%	7.721.574	20,3%
Financial income	3.958	0,0%	2.132	0,0%
Interest and financial charges	-80.878	-0,2%	-193.560	-0,5%
	-76.920	-0,2%	-191.428	-0,5%
Profit before tax (EBT)	5.871.452	16,1%	7.530.146	19,8%
Income taxes	-1.359.854	-3,7%	-1.734.739	-4,6%
Profit for the year	4.511.597	12,4%	5.795.407	15,3%

NOTES TO ANNUAL FINANCIAL STATEMENT

	December 31, 2013	December 31, 2012
	CHF	CHF
<i>Assets pledged for the securing of own commitments</i>		
First ranking mortgage pledged to UBS	3.530.000	3.530.000
First ranking mortgage pledged to BCV	2.590.000	2.590.000
Book value of the relevant fixed assets	5.160.673	5.494.774
<i>Fire insurance value of tangible assets</i>		
In detail:		
Building	9.944.956	9.944.956
Equipments, facilities and inventories	9.400.000	9.400.000
	<u>19.344.956</u>	<u>19.344.956</u>

Commitments and leasing

Leasing	2.531	11.810
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Information on main investments

Vitalab Srl, Milan	60%	60%
Share capital: CHF 7.800	EUR 6.000	EUR 6.000
Purpose: all activities related to research and development		
CRB Benelux BV, Maastricht	100%	100%
Share capital: CHF 23.400	EUR 18.000	EUR 18.000
Purpose: all activities related to research and development		

Risk assessment

The Board of Directors together with the top management of the company have assessed the risk related to CRB SA business. The assessment process considered the nature and extension of the business and the specific risks of CRB SA.

PROPOSAL FOR PROFIT ALLOCATION

	2013	2012
	CHF	CHF
Profit for the year	4.511.597	5.795.407
Retained earnings	3.762.042	6.966.635
Dividends according to decision of June 13, 2013 Shareholder's meeting	-	-9.000.000
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Available earnings	8.273.639	3.762.042
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*Proposal for profit allocation***Board of Directors
proposal**

Dividend	5.000.000
Profits carried forward	3.273.639
Available earnings	8.273.639