

# **Vision International People Group Public Limited**

Half-Yearly Financial Report  
30 June 2013

# **Vision International People Group Public Limited**

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## **HALF-YEARLY FINANCIAL REPORT**

**for the six months ended 30 June 2013**

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# **Vision International People Group Public Limited**

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## **OFFICERS AND PROFESSIONAL ADVISORS**

### **Executive Directors**

Roberto Piona – Chairman  
Dmitry Buriak – Chief Executive Officer

### **Independent Non-Executive Directors**

John Hadjihannas  
Peter Fehr-Christensen

### **Company Secretary**

Nairy Der Arakelian-Merheje

### **Registered Office**

Vision Tower  
67, Limassol Avenue  
2121, Aglantzia, Nicosia, Cyprus

### **Solicitors**

Nairy Der Arakelian-Merheje Law Office

### **Group Corporate Manager / Compliance Officer**

Maria Andreou

### **Principal Bankers**

AB SEB Bank  
Bank of Cyprus Public Co Limited  
Nota Bank  
Parex Bank  
Privat Banka  
Raiffeisen Bank

### **Independent Auditor**

CosmoCo Services Limited  
6, Neoptoleμου Street  
1087, Nicosia, Cyprus

## **Vision International People Group Public Limited**

### **STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND OTHER COMPANY OFFICIALS RESPONSIBLE FOR THE FINANCIAL STATEMENTS**

In accordance with Article 10, sections 3(c) and 7 of the Transparency Requirements (Securities for Trading on Regulated Market) Law of 2007 (Law 190(I)/2007, the “Law”), we the members of the Board of Directors and the other Company officials responsible for the Interim Condensed Consolidated Financial Statements of Vision International People Group Public Ltd (the “Company”) for the period of six months ended 30 June 2013, confirm that, to the best of our knowledge,

- (a) the Interim Condensed Consolidated Financial Statements on pages 6 to 23
  - (i) have been prepared in accordance with the International Financial Reporting Standards (*IAS 34 “Interim Financial Reporting”*) as adopted by the European Union (EU), and in accordance with the provisions of Article 10, section 4 of the Law, and
  - (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of the Company and the undertakings included in the consolidated financial statements taken as a whole, and
- (b) the Interim Management Report on pages 4 to 5 provides a fair review of the information required by Article 10, section 6 of the Law.

Dmitry Buriak	Chief Executive Officer
Roberto Piona	Chairman
John Hadjihannas	Non Executive Independent Director
Peter Fehr-Christensen	Non Executive Independent Director

Nicosia  
29 August 2013

# **Vision International People Group Public Limited**

## **INTERIM MANAGEMENT REPORT**

**for the six months ended 30 June 2013**

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### ***Financial Performance for the six months to 30 June 2013***

Group Turnover for the six months to 30 June 2013, reached the level of US\$46,7m, representing a decrease of 1,1% over sales for the same period in 2012 (US\$47,2m). Sales in the CIS and Baltics markets for the six months to 30 June 2013 were US\$24,0m compared to US\$28,5m in the same period in 2012. The increase/(decrease) in sales was demonstrated in the geographical areas as follows: CIS and Baltics (15,8%) (US\$4,5m), Europe (4,5%) (US\$0,3m) and for the Rest of the world 36,0% US\$4,3m.

Cost of Sales for the six months to 30 June 2013, reached the level of 27,0% of sales (US\$12,6m) compared to 26,0% in the same period in 2012 (US\$12,3m).

Commissions for the six months to 30 June 2013 reached the level of US\$19,7m (42,1% of sales) as compared to US\$18,8m (39,9% of sales) for the same period in 2012.

Selling and Distribution Costs exhibited a decrease of US\$0,8m during the six months to 30 June 2013, reaching the level of US\$3,6m or 7,6% of sales, compared to US\$4,4m or 9,2% of sales in the same period last year. The decrease is mainly attributable to a reduction in variable costs which are driven by the sales figures.

Administrative Expenses for the six months to 30 June 2013 have decreased to the level of US\$8,3m compared to US\$8,4m for the six months to 30 June 2012, representing a decrease of US\$0,1m.

Overall, for the six month period, the Group experienced a gain of US\$0,2m as compared to a gain of US\$2,1m during the same period in 2012.

The major factors affecting the Group's performance are as follows:

- Continued reduction in both variable and fixed costs in Sales and Distribution expenses.
- The introduction of a new Vision marketing Plan 'Progress Bonus' which is recorded in the commission payments and has resulted in an increase in the Sales vs. Commissions to Distributors ratio (42,1% in 2013 compared to 39,9% in 2012).

### ***Financial Stability as at 30 June 2013***

#### ***Cash Flow***

Overall, the cash flow from operating activities showed positive results of US\$0,9m inflow in 2013, compared to US\$2,8m inflow in 2012.

The Group was able to reduce its debt that resulted to outflow of US\$0,2m in cash from financial activities as compared to an outflow of US\$0,2m in the corresponding period of 2012.

#### ***Liquidity and capital resources***

Cash and cash equivalents as at 30 June 2013 amounted to US\$3,3m, compared to US\$2,5m as at 31 December 2012. In this context, the consolidated cash flow statement for the six months to 30 June 2013 shows a net increase in cash and cash equivalents of US\$0,8m.

Over this period the non-current loans and other borrowings decreased to US\$2,0m and the current portion of interest-bearing loans and other borrowings remained the same as that of 31 December 2012 (US\$2,6m).

# **Vision International People Group Public Limited**

## **INTERIM MANAGEMENT REPORT**

**for the six months ended 30 June 2013**

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### ***Financial Stability as at 30 June 2013*** (continued)

#### ***Asset and capital structure***

Interest bearing loans and borrowings in total are decreasing with interest-bearing debt to equity ratio standing at the level of 20,0% of parent shareholders' funds (31 December 2012: 20,7%).

#### ***Debt Profile***

Trade and Other Payables as at 30 June 2013 stand at US\$13,8m compared to US\$14,6m as of 31 December 2012 thus showing a decrease of 5,6%.

#### ***Current assets other than cash***

The Group undertook a number of steps to maintain its profitability. As a result, inventories decreased from US\$8,6m as at 31 December 2012 to US\$7,6m as at 30 June 2013. Trade and Other Receivables remained the same as that of 31 December 2012 (US\$13,0m).

### ***Risk management***

The Group is exposed to various risks, the most significant of which are interest rate risk, liquidity risk, foreign currency risk and credit risk, as well as operational risk. Information relating to Group risk management is set out in Notes 20 and 22 of the financial statements for the year ended 31 December 2012 and it is not expected to change significantly during the second half of 2013.

### ***Related party transactions***

Information on related party transactions for the six months ended 30 June 2013 in accordance with IFRSs is presented in Note 14 of the Interim Condensed Consolidated Financial Statements.

### ***Employee Numbers***

The number of the employees of the Group as of 30 June 2013 is 350 (31 December 2012: 345).

### ***Major Events***

(a) The Group is actively engaged in new product development so that it will enrich its product portfolio in order to meet market requirements.

(b) The Group is continuing its restructuring operations and further subsidiaries are expected to be liquidated before the year end.

(c) The Group is actively expanding its operations into new countries within the region of Asia.

### ***Overall***

The results of the first half of 2013 correspond with management's expectations as to the financial performance expected this year.

However, a number of factors should be noted:

- The continued liquidation process of some subsidiaries.
- Cost reduction in the operations of the Group.
- Based on management's expectations, the second half of the year is expected to yield better results.

These factors give the grounds to the management to positively look into the Group's performance during the second half of 2013.

# Vision International People Group Public Limited

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the six months ended 30 June 2013

	<i>Notes</i>	<b>UNAUDITED</b>		<i>Supplementary information (note 16)</i>	
		<i>Six months ended 30 June</i>		<i>Six months ended 30 June</i>	
		<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
		<i>US\$</i>	<i>US\$</i>	<i>€</i>	<i>€</i>
<b>Revenue-sale of goods</b>		46.663.196	47.184.972	35.675.226	36.074.138
Cost of sales		(12.607.211)	(12.284.475)	(9.638.540)	(9.391.800)
<b>Gross profit</b>		34.055.985	34.900.497	26.036.686	26.682.338
Commissions to distributors		(19.657.040)	(18.828.777)	(15.028.318)	(14.395.090)
		14.398.945	16.071.720	11.008.368	12.287.248
Other operating income		173.217	206.237	132.429	157.673
Selling and distribution costs		(3.565.618)	(4.353.671)	(2.726.008)	(3.328.495)
Administrative expenses		(8.325.925)	(8.350.210)	(6.365.386)	(6.383.952)
Other operating expenses		(72.549)	(149.162)	(55.466)	(114.038)
<b>Profit from operating activities</b>		2.608.070	3.424.914	1.993.937	2.618.436
Finance costs		(1.196.471)	(699.383)	(914.734)	(534.696)
Finance income		59.732	37.493	45.667	28.664
<b>Profit before share of associate's profit</b>		1.471.331	2.763.024	1.124.870	2.112.404
Share of profit of associate	9	167.816	223.506	128.300	170.876
<b>Profit before income tax</b>		1.639.147	2.986.530	1.253.170	2.283.280
Income tax expense		(1.399.931)	(886.859)	(1.070.283)	(678.027)
<b>Profit for the period</b>		239.216	2.099.671	182.887	1.605.253
<b>Other comprehensive income / (loss):</b>					
Currency Translation differences		(167.881)	(688.456)	(128.350)	(526.345)
<b>Other comprehensive loss for the period, net of tax</b>		(167.881)	(688.456)	(128.350)	(526.345)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		71.335	1.411.215	54.537	1.078.908
Profit attributable to:					
Equity holders of the parent		224.267	2.091.821	171.457	1.599.252
Non-controlling interests		14.949	7.850	11.430	6.001
		239.216	2.099.671	182.887	1.605.253
Total comprehensive income attributable to:					
Equity holders of the parent		56.386	1.403.365	43.107	1.072.907
Non-controlling interests		14.949	7.850	11.430	6.001
		71.335	1.411.215	54.537	1.078.908
Earnings per share - basic (cents), for the period attributable to equity holders of the parent	5	0,30	2,79	0,23	2,13

All the amounts shown above are from continuing operations.

# Vision International People Group Public Limited

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2013

		UNAUDITED		Supplementary information (note 16)	
		30 June	31 December	30 June	31 December
		2013	2012	2013	2012
Notes	US\$	US\$		€	€
ASSETS					
Non-current assets					
		6,502,636	6,668,571	4,971,435	5,098,296
		101,401	127,116	77,524	97,183
	7	18,259	18,258	13,959	13,959
	9	4,673,017	4,797,751	3,572,643	3,668,006
		1,993,011	2,154,307	1,523,708	1,647,024
		13,288,324	13,766,003	10,159,269	10,524,468
Current assets					
		7,596,391	8,632,094	5,807,638	6,599,460
		12,992,437	12,963,455	9,933,056	9,910,898
		698,749	947,972	534,212	724,749
		305,435	264,950	233,513	202,561
		5,599,721	4,832,639	4,281,132	3,694,678
		27,192,733	27,641,110	20,789,551	21,132,346
TOTAL ASSETS		40,481,057	41,407,113	30,948,820	31,656,814
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
	11	7,500,000	7,500,000	5,733,945	5,733,945
		10,947,092	10,890,706	8,369,335	8,326,227
		18,447,092	18,390,706	14,103,280	14,060,172
Non- controlling interests		916,661	901,712	700,811	689,382
TOTAL EQUITY		19,363,753	19,292,418	14,804,091	14,749,554
Non-current liabilities					
	12	1,986,280	2,163,408	1,518,563	1,653,982
		2,200,430	2,201,304	1,682,285	1,682,954
		4,186,710	4,364,712	3,200,848	3,336,936
Current liabilities					
		13,765,633	14,578,885	10,524,186	11,145,937
	12	2,627,641	2,627,073	2,008,900	2,008,466
		7,000	7,000	5,352	5,352
		530,320	537,025	405,443	410,569
		16,930,594	17,749,983	12,943,881	13,570,324
TOTAL LIABILITIES		21,117,304	22,114,695	16,144,729	16,907,260
TOTAL EQUITY AND LIABILITIES		40,481,057	41,407,113	30,948,820	31,656,814

Roberto Piona – *Chairman*

Dmitry Buriak – *Director and Chief Executive Officer*

Nina Melnikova – *Chief Financial Officer*



**Vision International People Group Public Limited**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the six months ended 30 June 2013**

	<b>UNAUDITED</b>		<i>Supplementary information (note 16)</i>	
	<i>Six months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	<i>US\$</i>	<i>US\$</i>	<i>€</i>	<i>€</i>
<b>Cash flows from operating activities</b>				
Profit before income tax	1.639.147	2.986.530	1.253.170	2.283.280
Adjustments for:				
Loss on disposal of property, plant and equipment and intangible assets	937	336	716	257
Net interest cost and bank charges	644.776	566.495	492.948	433.100
Share of profit of associate	(167.816)	(223.506)	(128.300)	(170.876)
Depreciation and amortisation	280.645	345.024	214.561	263.780
Operating profit before working capital changes	2.397.689	3.674.879	1.833.095	2.809.541
Decrease/(increase) in inventories	1.026.704	(1.065.636)	784.942	(814.706)
Increase in trade and other receivables	(44.373)	(3.783.416)	(33.924)	(2.892.520)
(Decrease)/increase in trade and other payables	(829.532)	5.261.170	(634.199)	4.022.301
Cash generated from operations	2.550.488	4.086.997	1.949.914	3.124.616
Net interest and bank charges paid	(644.776)	(566.495)	(492.948)	(433.100)
Income taxes paid	(996.116)	(745.309)	(761.557)	(569.808)
<b>Net cash flows from operating activities</b>	<b>909.596</b>	<b>2.775.193</b>	<b>695.409</b>	<b>2.121.708</b>
<b>Cash flows from investing activities</b>				
Dividends from associate	227.293	-	173.772	-
Purchase of property, plant and equipment	(98.918)	(43.113)	(75.626)	(32.961)
Purchase of intangible assets	(25.682)	(59.101)	(19.635)	(45.184)
Proceeds from disposal of property, plant and equipment and computer software	1.003	14.182	767	10.842
<b>Net cash flows from/(used in) investing activities</b>	<b>103.696</b>	<b>(88.032)</b>	<b>79.278</b>	<b>(67.303)</b>
<b>Cash flows from financing activities</b>				
Repayment of loans	(177.100)	(215.074)	(135.397)	(164.430)
Non-reciprocal capital contributions	-	263.058	-	201.114
Dividends paid	(874)	(189.352)	(668)	(144.764)
<b>Net cash flows used in financing activities</b>	<b>(177.974)</b>	<b>(141.368)</b>	<b>(136.065)</b>	<b>(108.080)</b>
Net increase in cash and cash equivalents	835.318	2.545.793	638.622	1.946.325
Net foreign exchange differences	(69.637)	(25.137)	(53.239)	(19.218)
Cash and cash equivalents at 1 January	2.535.702	781.170	1.938.610	597.225
<b>Cash and cash equivalents at 30 June</b>	<b>3.301.383</b>	<b>3.301.826</b>	<b>2.523.993</b>	<b>2.524.332</b>

# Vision International People Group Public Limited

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2013

	<i>Reserves</i>								
	<i>Accumulated profits (i)</i>	<i>Business combination reserve (ii)</i>	<i>Non-reciprocal capital contributions (iii)</i>	<i>Foreign currency translation (iv)</i>	<i>Total reserves</i>	<i>Issued capital</i>	<i>Total</i>	<i>Non - controlling interests</i>	<i>Total equity</i>
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>At 1 January 2013</b>	12,348,092	(208,385)	1,257,317	(2,506,318)	10,890,706	7,500,000	18,390,706	901,712	19,292,418
Total comprehensive income / (loss) for the period	224,267	-	-	(167,881)	56,386	-	56,386	14,949	71,335
<b>At 30 June 2013</b>	12,572,359	(208,385)	1,257,317	(2,674,199)	10,947,092	7,500,000	18,447,092	916,661	19,363,753

	<i>Reserves</i>								
	<i>Accumulated profits (i)</i>	<i>Business combination reserve (ii)</i>	<i>Non-reciprocal capital contributions (iii)</i>	<i>Foreign currency translation (iv)</i>	<i>Total reserves</i>	<i>Issued capital</i>	<i>Total</i>	<i>Non - controlling interests</i>	<i>Total equity</i>
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>At 1 January 2012</b>	10,922,423	(208,385)	994,259	(2,268,986)	9,439,311	7,500,000	16,939,311	821,898	17,761,209
Shareholder contribution	-	-	263,058	-	263,058	-	263,058	-	263,058
Deemed distribution on dividends	(15,916)	-	-	-	(15,916)	-	(15,916)	-	(15,916)
Total comprehensive income / (loss) for the year	1,441,585	-	-	(237,332)	1,204,253	-	1,204,253	79,814	1,284,067
<b>At 31 December 2012</b>	12,348,092	(208,385)	1,257,317	(2,506,318)	10,890,706	7,500,000	18,390,706	901,712	19,292,418

- (i) Accumulated profits are available for distribution. Other reserves are not available for distribution.

There is no withholding tax on payments of dividends by the Company to non-resident shareholders or to shareholders that are resident companies in Cyprus. Payments of dividends to shareholders that are physical persons resident in Cyprus are subject to 20% withholding tax for the tax years 2012 and 2013 and 17% for 2014 and thereafter (in 2011 the rate was 15% up to 30 August 2011 and 17% up to 31 December 2011). As defined by the relevant tax law, companies which do not distribute 70% of their profits after tax within two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed these profits as dividend. Special contribution for defence at 20% will be payable on such deemed dividend, to the extent that the shareholders (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

- (ii) The business combination reserve is described in note 2.1 of the Consolidated Financial Statements for the year ended 31 December 2012.
- (iii) Non-reciprocal capital contributions: In May 2011 and February 2012, the major shareholder transferred to the Company US\$994,259 (€670,000) and US\$263,058 (€200,000) respectively, to assist in covering losses that had been accumulated in some of its subsidiaries. As these contributions are not refundable by the Company, they have been classified as 'non-reciprocal capital contributions' in the Consolidated Statement of Changes in Equity.
- (iv) The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and associates.

# **Vision International People Group Public Limited**

## **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2013**

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### **1. Corporate information**

The Interim Condensed Consolidated Financial Statements of Vision International People Group Public Limited for the six months ended 30 June 2013 were authorised for issue in accordance with a resolution of the Board of Directors on 29 August 2013.

Vision International People Group Public Limited (the “Company”) is a Public Limited Liability Company incorporated in Cyprus and listed on the Cyprus Stock Exchange.

The Company’s registered office is located at Vision Tower, 67 Limassol Avenue, 2121, Aglantzia, Nicosia, Cyprus.

The Company’s parent is Health Tech Corporation Limited, a company incorporated in the Island of Guernsey. Health Tech Corporation Limited is beneficially owned by the Chief Executive Officer of the Company, Mr. Dmitry Buriak who is considered as the ultimate controlling party of the Group.

The principal activities of the Company and the Group are described in note 4.

### **2. Basis of preparation**

The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2013 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) (IAS 34, "Interim Financial Reporting").

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2012.

The Interim Condensed Consolidated Financial Statements comprise the financial statements of the Company (which incorporate the activities of the Company’s representative office in Moscow), and its controlled subsidiaries listed in note 8, together referred to as the “Group”.

The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2013 have not been audited or reviewed by the Group’s external auditors.

The Interim Condensed Consolidated Financial Statements are presented in United States Dollars (US\$).

## **Vision International People Group Public Limited**

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### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**at 30 June 2013**

#### **3. Significant accounting policies**

The accounting policies that have been followed for the preparation of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2013 are consistent with those followed for the preparation of the financial statements for year 2012.

#### **4. Segment information**

The principal activity of the Group is the distribution to several countries of a wide range of health care products incorporating biologically active food supplements and cosmetics based on natural components.

The principal activities of the Company is the holding of investments in subsidiary companies and the provision of services to the Group through the maintenance of the Group's Head Office in Nicosia and the Company's representative office in Moscow.

The Group's risks and returns are affected solely by the fact that it operates in different countries and geographical areas. Also, the majority of the Group's sales are from food supplements. As such, the Group does not present business segment but only geographical segment information.

# Vision International People Group Public Limited

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2013

### 4. Segment information (continued)

Six months ended 30 June 2013

	<i>CIS &amp; Baltics US\$</i>	<i>Europe US\$</i>	<i>Rest of the world US\$</i>	<i>30 June 2013 Total US\$</i>
<b>Revenue</b>				
Sales to external customers	<u>23.996.824</u>	<u>6.437.429</u>	<u>16.228.943</u>	<u>46.663.196</u>
There is no inter-segment revenue				
<b>Result</b>				
Segment result	<u>1.146.432</u>	<u>(221.494)</u>	<u>1.683.132</u>	<u>2.608.070</u>
Profit from operating activities				2.608.070
Finance costs				(1.196.471)
Finance income				<u>59.732</u>
Profit before share of profit of associate				1.471.331
Share of profit of associate				<u>167.816</u>
Profit before income tax				1.639.147
Income tax expense				<u>(1.399.931)</u>
Profit for the period				<u>239.216</u>
<b>Assets and Liabilities</b>				
Segment Assets	18.870.988	4.779.507	12.063.373	35.713.868
Investment in Associate				4.673.017
Unallocated Assets	<u>          </u>	<u>          </u>	<u>          </u>	<u>94.172</u>
Total Assets				<u>40.481.057</u>
Segment Liabilities	10.081.163	2.796.277	8.144.622	21.022.066
Unallocated Liabilities	<u>          </u>	<u>          </u>	<u>          </u>	<u>95.238</u>
Total Liabilities				<u>21.117.304</u>
<b>Other Segment information</b>				
Capital Expenditures	<u>73.376</u>	<u>25.931</u>	<u>25.293</u>	<u>124.600</u>
Depreciation and amortisation	<u>158.630</u>	<u>54.247</u>	<u>67.768</u>	<u>280.645</u>

# Vision International People Group Public Limited

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2013

### 4. Segment information (continued)

Six months ended 30 June 2012

	<i>CIS &amp; Baltics US\$</i>	<i>Europe US\$</i>	<i>Rest of the world US\$</i>	<i>30 June 2012 Total US\$</i>
<b>Revenue</b>				
Sales to external customers	<u>28.510.759</u>	<u>6.744.152</u>	<u>11.930.061</u>	<u>47.184.972</u>
There is no inter-segment revenue				
<b>Result</b>				
Segment result	<u>2.429.346</u>	<u>(215.074)</u>	<u>1.210.642</u>	<u>3.424.914</u>
Profit from operating activities				3.424.914
Finance costs				(699.383)
Finance income				<u>37.493</u>
Profit before share of profit of associate				2.763.024
Share of profit of associate				<u>223.506</u>
Profit before income tax				2.986.530
Income tax expense				<u>(886.859)</u>
Profit for the period				<u>2.099.671</u>
<b>Assets and Liabilities</b>				
Segment Assets	26.221.409	4.949.316	8.479.1	39.650.090
Investment in Associate				4.537.514
Unallocated Assets	<u>          </u>	<u>          </u>	<u>          </u>	<u>84.765</u>
Total Assets				<u>44.272.369</u>
Segment Liabilities	15.399.802	3.119.225	6.218.2	24.737.289
Unallocated Liabilities	<u>          </u>	<u>          </u>	<u>          </u>	<u>99.600</u>
Total Liabilities				<u>24.836.889</u>
<b>Other Segment information</b>				
Capital Expenditures	<u>80.893</u>	<u>17.785</u>	<u>3.536</u>	<u>102.214</u>
Depreciation and amortisation	<u>227.908</u>	<u>64.413</u>	<u>52.703</u>	<u>345.024</u>

## Vision International People Group Public Limited

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2013

#### 5. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are not calculated as there are no dilutive potential ordinary shares.

The following reflects the profit and share data used in the basic earnings per share computations:

	<i>Six months ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2013</i>	<i>2012</i>
	<i>US\$</i>	<i>US\$</i>
Net profit attributable to ordinary equity holders of the parent for basic earnings per share	<u>224.267</u>	<u>2.091.821</u>
	<i>30 June</i>	<i>30 June</i>
	<i>2013</i>	<i>2012</i>
	<i>Number</i>	<i>Number</i>
Weighted average number of ordinary shares for basic earnings per share	<u>75.000.000</u>	<u>75.000.000</u>

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the interim condensed consolidated financial statements.

#### 6. Dividends

On 29 April 2013, the Directors resolved to propose that no dividend is paid for the year 2012.

#### 7. Goodwill

	<i>30 June</i>	<i>31 December</i>
	<i>2013</i>	<i>2012</i>
	<i>US\$</i>	<i>US\$</i>
On acquisition of "Kazakhstan group"	<u>18.259</u>	<u>18.259</u>
	<u>18.259</u>	<u>18.259</u>

# Vision International People Group Public Limited

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2013

### 8. Investments in subsidiaries

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries as illustrated in the table below:

<i>Name</i>	<i>Country of incorporation</i>	<i>% Group equity interest</i>	
		<i>30/06/13</i>	<i>31/12/12</i>
Sambrook Holdings Limited	British Virgin Islands	100%	100%
Nutri Export Limited Partnership	England and Wales	99%	99%
Vision Holdings Limited	Cyprus	100%	100%
Nutriprodex Limited	England and Wales	100%	100%
Todini Limited	Ireland	100%	100%
Total Eclipse International Limited	England and Wales	100%	100%
Vision Societe S.A.	Switzerland	100%	100%
Vision Balkan Limited	Bulgaria	100%	100%
Vision-Latomas Commercial Limited	Hungary	100%	100%
Vision Polska Sp. zo.o.	Poland	100%	100%
Vision Euronord Private Limited Company	Lithuania	100%	100%
Vision Eurotrade Private Limited Company	Latvia	100%	100%
VisionSerbo d.o.o.	Serbia	100%	100%
Vision E-Shop G.m.b.H.	Austria	100%	100%
Vision Group Rus LLC	Russia	100%	100%
OPT RTK LLC	Russia	100%	100%
VIP-Telecom LLC	Russia	100%	100%
Vision Ukraine LLC	Ukraine	100%	100%
Vision Vietnam Trading Co Limited	Vietnam	100%	100%
VIP Asia LLP	Kazakhstan	100%	100%
Vision Asia LLP	Kazakhstan	100%	100%
ArmeniaVision LLC	Armenia	100%	100%
Vision Azerbaijan LLC	Azerbaijan	100%	100%
Vision Istanbul Health and Products Trade and Industry Limited	Turkey	100%	100%
Vision Vietnam Co Limited	Vietnam	100%	100%
Vision Management (Cyprus) Limited	Cyprus	100%	100%
Vision Egypt for Distribution LLC	Egypt	99%	99%
Vision MISR for Trading LLC	Egypt	99%	99%
Demareti Limited	England and Wales	100%	100%
Vision (India) People Group Private Limited	India	100%	100%
TK-Baku LLC	Azerbaijan	100%	-
<i>Under liquidation during 2013:</i>			
Vision Middle Asia LLC	Uzbekistan	100%	100%
Vision Kyiv LLC	Ukraine	100%	100%
Vision Commerce S.A.	Switzerland	100%	100%
Vision International People Group S.A.	Switzerland	100%	100%
Vision Pavlodar LLP	Kazakhstan	100%	100%
Vision Persia Joint Stock Company	Iran	100%	100%
<i>Liquidated during 2013:</i>			
Vision Odessa LLC	Ukraine	-	100%



## Vision International People Group Public Limited

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2013

#### 8. Investments in subsidiaries (continued)

<i>Name</i>	<i>Country of incorporation</i>	<i>% Group equity interest</i>	
		<i>30/06/13</i>	<i>31/12/12</i>
<i>Liquidated during 2012:</i>			
Vision International Kish Private Joint Stock Company	Iran	-	-

Sambrook Holdings Limited is the General Partner with unlimited liability and 99% share in the profits of Nutri Export Limited Partnership.

Todini Limited is the owner of 35% of the share capital of Nutripharma Limited. Nutripharma Limited is accounted for using the equity method as an investment in associate (note 9). The major item in the statement of financial position of Todini Limited, since its acquisition by the Group in 2004, is the investment in the 35% share capital of Nutripharma Limited. Other than the holding of the investment in Nutripharma Limited, Todini Limited is not engaged in any other activity.

#### ***Liquidation of subsidiaries during the six months ended 30 June 2013***

During the first half of 2013 the subsidiary namely Vision Odessa LLC was liquidated.

#### ***Liquidation of subsidiaries during the year 2012***

During the year 2012 the subsidiary namely Vision International Kish Private Joint Stock Company was liquidated.

#### ***Establishment of new subsidiaries during the six months ended 30 June 2013***

TK-Baku LLC became part of the Group on the 15<sup>th</sup> of February 2013. TK-Baku LLC has a capital amount of Azerbaijani New Manat 20 (US\$25) and is owned 100% by Vision International People Group Public Limited. The subsidiary commenced trading operations at that date.

#### ***Establishment of new subsidiaries during the year 2012***

Vision (India) People Group Private Limited became part of the Group in January 2012. Vision (India) People Group Private Limited has a capital amount of Indian Rupees 100.000 (US\$2.067) and is owned 90% by Vision International People Group Public Limited and 10% by Vision Holdings Limited. The subsidiary has yet to commence trading operations.

#### 9. Investment in associate

The Group owns 35% of the share capital of Nutripharma Limited through its 100% shareholding in Todini Limited (note 8). Nutripharma Limited is an unlisted company incorporated in Ireland and is engaged in the manufacture of food supplements, all of which are sold to the Group.

## Vision International People Group Public Limited

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2013

#### 9. Investment in associate (continued)

The following table provides summarised financial information of the investment in associate, Nutripharma Limited:

	<i>30 June 2013 US\$</i>	<i>31 December 2012 US\$</i>
Share of the associate's net assets	1.900.338	1.981.386
Goodwill arising on acquisition	<u>2.772.679</u>	<u>2.816.365</u>
Carrying amount of the investment	<u>4.673.017</u>	<u>4.797.751</u>
	<i>Six months ended 30 June 2013 US\$</i>	<i>2012 US\$</i>
Share of the associate's revenue and profit:		
<i>Revenue</i>	<u>1.897.317</u>	<u>2.136.354</u>
<i>Profit</i>	<u>167.816</u>	<u>223.506</u>
<i>Dividends received</i>	<u>227.293</u>	<u>501.353</u>

The functional currency of Nutripharma Limited is the Euro. The net exchange differences from the retranslation of the investment in the associate for the six months ended 30 June 2013 amounted to US\$65.253 - loss (31 December 2012: US\$463.271 - loss) of which US\$43.686 - loss relates to the retranslation of goodwill (31 December 2012: US\$249.909 - loss) and are included in the relevant reserve in equity.

#### 10. Amount payable for the acquisition of "Ukraine group"

On 1 January 2005, the Group obtained control of Vision Ukraine LLC, Vision Kyiv LLC, Vision Lviv LLC, Vision Odessa LLC and Vision Kharkov LLC, collectively referred to as the "Ukraine Group". The purchase consideration for the acquisition of 100% of the issued share capital of the above companies was US\$2.000.000, of which US\$7.000 is outstanding as at 30 June 2013.

#### 11. Issued capital - ordinary shares

	<i>30 June 2013</i>		<i>31 December 2012</i>	
	<i>Shares</i>	<i>US\$</i>	<i>Shares</i>	<i>US\$</i>
<i>Authorised</i>				
Shares of US\$0,10 each	<u>300.000.000</u>	<u>30.000.000</u>	<u>300.000.000</u>	<u>30.000.000</u>
<i>Issued and fully paid</i>	<u>75.000.000</u>	<u>7.500.000</u>	<u>75.000.000</u>	<u>7.500.000</u>

There was no change in the capital of the Company during the six months ended 30 June 2013 and during the year ended 31 December 2012.

## Vision International People Group Public Limited

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2013

#### 12. Interest-bearing loans and other borrowings

	30 June 2013 US\$	31 December 2012 US\$
<b><i>Non-current</i></b>		
Head Office building secured bank loan	1.953.886	2.122.146
Other banking facilities	32.394	41.262
	<u>1.986.280</u>	<u>2.163.408</u>
<b><i>Current</i></b>		
Head Office building secured bank loan	329.303	330.136
Bank overdrafts	2.298.338	2.296.937
	<u>2.627.641</u>	<u>2.627.073</u>

#### *Head Office building secured bank loan*

In June 2005, the Company entered into an agreement for the purchase of new office building which houses the new Headquarters of the Group in Cyprus (carrying amount of property: US\$5.948.421 as at 30 June 2013 and US\$6.069.250 as at 31 December 2012).

Between July 2005 and July 2007, the Company entered into facility agreements with Cyprus Popular Bank Public Co Limited for the financing of the purchase of the property and the payment of the transfer fees. This financing entails four fixed term bank loans in US\$. All amounts were drawn up to 31 December 2007 and one of the loans was fully repaid in 2008.

The remaining three loans (which are mentioned above) are repayable in monthly instalments over a period of 15 years and during the year carried interest at a rate between 1 month US\$ LIBOR plus 5,60% per annum (2012: 1 month US\$ LIBOR plus 5,60% per annum).

In April 2008 the Company entered into a fixed term loan with Cyprus Popular Bank Public Co Limited for the amount of €380.000 (US\$507.756) for the purpose of financing additional works to the Head Office building. Up to 30 June 2013, an amount of €375.055 (US\$495.750) was drawn. The loan carried interest at 1 month Euribor plus 5,50% per annum (2012: 1 month Euribor plus 5,50% per annum) and is repayable in 120 monthly instalments.

All loans are secured by first legal mortgage over the property for US\$5.558.112, the assignment of fire and earthquake insurance policy over the property for the amount of €5.142.890 and a floating charge for €341.721 over the assets of the Company.

## **Vision International People Group Public Limited**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2013**

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#### **12. Interest-bearing loans and other borrowings (continued)**

##### *Bank overdrafts and other banking facilities*

In March 2007, the Company entered into secured facility agreements with Cyprus Popular Bank Public Co Limited. This financing entails an overdraft facility for an amount up to US\$2.300.000 and a fixed term loan of US\$500.000. Both facilities carry interest at a rate of US\$ LIBOR plus 5,50% per annum (2012: US\$ LIBOR plus 5,50%) and are secured by second legal mortgage over the Head Office building for the amount of US\$2.130.000. The fixed term loan was repayable by monthly installments over a period of five years and was fully repaid in April 2012. The overdraft facility is payable on demand and is renewable on an annual basis.

In September 2011, Vision E-Shop G.m.b.H. entered into a four year loan with Welcome Bank Gesellschaft G.m.b.H. for the amount of €39.900 (US\$52.740) for the purpose of purchasing a motor vehicle. The loan carries a variable interest rate. During the year the interest rate was 6,75% per annum.

#### **13. Other information**

##### *Legal and other claims*

As of the date of the approval of the consolidated financial statements, there is no pending litigation, claim, demand or assessment against the Group companies, the outcome of which would have a material effect on the Group's financial position, financial performance and cash flows.

#### **14. Related party disclosures**

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries listed in note 8.

The Company's parent is Health Tech Corporation Limited, a company incorporated in the Island of Guernsey. Health Tech Corporation Limited is beneficially owned by the Chief Executive Officer, Mr. Dmitry Buriak. The Group considers Mr. Dmitry Buriak to be its ultimate controlling party of the Group.

The Directors of the Company were considered as being the key personnel of the Group during the period.

The following tables provide the total amount of transactions, which have been entered into with related parties for the relevant financial period and the outstanding balances at the period end:

# Vision International People Group Public Limited

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2013

### 14. Related party disclosures (continued)

<i>Related party</i>	<i>Six months ended 30 June</i>	<i>Purchases from related parties US\$</i>	<i>Net interest expense / (income) US\$</i>	<i>Income from related parties US\$</i>	<i>Expenses charged by related parties US\$</i>
Corpofin S.A.	2013	-	-	-	-
	2012	-	(2.576)	-	-
VIP Communication Limited	2013	-	-	-	30.000
	2012	-	-	1.214	31.289
Nutripharma Limited	2013	5.177.610	4.663	-	-
	2012	6.053.345	876	-	-
UAB Forumo Rumai	2013	-	-	-	42.958
	2012	-	-	-	51.100
Atlas Corporate Services G.m.b.H.	2013	-	-	-	-
	2012	1.314	-	-	-
JSC "Svencioniu Vaistazoles"	2013	890.635	-	-	8.003
	2012	321.732	-	-	-
UAB "Vision DEM4 Laboratory"	2013	-	-	-	395.075
	2012	-	-	-	455.777
Vision Neva LLC	2013	-	-	869.070	-
	2012	-	-	-	-
TCV Khabarovsk LLC	2013	231.580	-	1.627.582	-
	2012	-	-	-	-
Real Pro LLC	2013	-	-	-	37.655
	2012	-	-	-	-
TCV Centr LLC	2013	2.452.086	-	3.904.327	-
	2012	-	-	-	-
DV Vladivostok LLC	2013	-	-	534.061	-
	2012	-	-	-	-
CV Volgograd LLC	2013	-	-	1.643.126	-
	2012	-	-	-	-
TDV Nizhnij Novgorod	2013	-	-	1.403.638	-
	2012	-	-	-	-
TC Kazan LLC	2013	-	-	297.996	-
	2012	-	-	-	-
TD Ekaterinbourg LLC	2013	-	-	1.452.541	-
	2012	-	-	-	-
TD Sibir LLC	2013	-	-	2.188.650	-
	2012	-	-	-	-
TCV Irkoutsk LLC	2013	-	-	1.917.985	-
	2012	-	-	-	-
TCV Krasnodar LLC	2013	-	-	2.433.189	-
	2012	-	-	-	-

# Vision International People Group Public Limited

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2013

### 14. Related party disclosures (continued)

<i>Related party</i>	<i>Balance as at</i>	<i>Trade and other receivables US\$</i>	<i>Trade and other payables US\$</i>	<i>Loans due (to) / from US\$</i>
Health Tech Corporation AG	30/06/2013	-	157	-
	31/12/2012	-	1.086	-
VIP Communication Limited	30/06/2013	2.320.199	-	-
	31/12/2012	2.349.679	-	-
Nutripharma Limited	30/06/2013	1.284.261	2.309.066	-
	31/12/2012	1.304.495	1.930.661	-
JSC “Svencioniu Vaistazoles”	30/06/2013	-	280.235	-
	31/12/2012	375.323	675.327	-
UAB Forumo Rumai	30/06/2013	97	-	-
	31/12/2012	-	385	-
Vision Neva LLC	30/06/2013	526.130	-	-
	31/12/2012	419.090	-	-
TCV Khabarovsk LLC	30/06/2013	111.897	85.850	-
	31/12/2012	1.170.764	546.771	-
TCV Centr LLC	30/06/2013	457.961	2.518	-
	31/12/2012	846.577	97.380	-
DV Vladivostok LLC	30/06/2013	96.567	-	-
	31/12/2012	100.506	-	-
CV Volgograd LLC	30/06/2013	710.120	-	-
	31/12/2012	528.748	-	-
UAB “Vision DEM4 Laboratory”	30/06/2013	-	65.065	-
	31/12/2012	-	66.090	(66.286)
TDV Nizhnij Novgorod LLC	30/06/2013	786.712	-	-
	31/12/2012	585.813	-	-
TC Kazan LLC	30/06/2013	1.384.769	-	-
	31/12/2012	3.444.607	-	-
TD Ekaterinbourg LLC	30/06/2013	775.957	-	-
	31/12/2012	498.720	-	-
TD Sibir LLC	30/06/2013	809.046	-	-
	31/12/2012	866.386	-	-
TCV Irkutsk LLC	30/06/2013	-	187.119	-
	31/12/2012	-	83.869	-
TCV Krasnodar LLC	30/06/2013	1.134.512	-	-
	31/12/2012	1.225.129	-	-
Vision Egypt for Services LLC	30/06/2013	-	5.847	-
	31/12/2012	<u>7.773</u>	<u>6.741</u>	<u>-</u>

# Vision International People Group Public Limited

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2013

### 14. Related party disclosures (continued)

The relationship of the above related parties with the Group (other than subsidiaries) is described below:

<i>Party</i>	<i>Relationship</i>
Health Tech Corporation Limited	Ultimate parent company
Health Tech Corporation AG	Entity under common control
VIP Communication Limited	Entity under common control
Corpofin S.A.	Entity under common control
Real Pro LLC	Entity under common control
UAB Forumo Rumai	Entity under common control
Atlas Corporate Services G.m.b.H.	Entity under common control
JSC "Svencioniu Vaistazoles"	Entity under common control
Vision Egypt for Services LLC	Entity under common control
UAB "Vision DEM4 Laboratory"	Entity under common control
Vision Neva LLC	Franchisee
TCV Khabarovsk LLC	Franchisee
TCV Centr LLC	Franchisee
DV Vladivostok LLC	Franchisee
CV Volgograd LLC	Franchisee
TCV Balashiha LLC	Franchisee
TDV Nizhnij Novgorod LLC	Franchisee
TC Kazan LLC	Franchisee
TD Ekaterinbourg LLC	Franchisee
TD Sibir LLC	Franchisee
TCV Irkutsk LLC	Franchisee
TCV Krasnodar LLC	Franchisee
Nutripharma Limited	Associate

Transactions with related parties are made on terms agreed between the parties, which in most cases are stipulated in contractual agreements between the parties. Outstanding balances with Nutripharma Limited over 120 days bear interest at LIBOR plus 2%.

The expenses charged by related parties relate to various services that these parties provided to the Group, including management, administration, logistic, leasing of premises, consultancy, marketing and communication and service support.

### Compensation of Key Personnel

	<i>Six months ended</i>	
	<i>30 June 2013</i>	<i>30 June 2012</i>
	<i>US\$</i>	<i>US\$</i>
<i>Directors' remuneration:</i>		
Fees in directors' capacity:		
Dmitry Buriak	156.967	156.266
Roberto Piona	55.723	55.475
John Hadjihannas	15.697	15.627
Peter Fehr-Christensen	4.360	4.340
Total remuneration	232.747	231.708

**15. Events after the reporting date**

There are no material events after the reporting date, which affect the interim condensed consolidated financial statements at 30 June 2013.

**16. Supplementary information**

The Group displays its interim consolidated statement of financial position, interim consolidated statement of comprehensive income and interim statement of cash flows in Euro (€) as supplementary information.

The US\$ amounts for both 2013 and 2012 have been translated to € using the exchange rate issued by the European Central Bank as at 28 June 2013, i.e. €1 = US\$1,308.