

Squeezy Sports Nutrition N.V.
Amsterdam

Annual report 2011

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Squeezy Sports Nutrition N.V.
Laan van Diepenvoorde 3
5582LA Amsterdam

For the attention of Mr. R.W. Milenk

Waalre, November 15, 2012

Dear Mr. Milenk,

We hereby send you the report regarding the financial statements for the year 2011 of your company .

1 COMPILATION REPORT

Introduction

In accordance with your instructions we have compiled the financial statements 2011 of Squeezy Sports Nutrition N.V. in Amsterdam, which comprise the balance sheet as of December 31, 2011 and the profit and loss account for 2011 with the notes.

Management's responsibility

The distinctive feature of a compilation engagement is that we compile financial information based on information provided by management of your company. Management is responsible for the accuracy and completeness of the information provided and the financial statements based thereon.

Accountant's responsibility

Our responsibility as accountant is to perform our engagement in accordance with Dutch Law, including professional and ethical requirements issued by our professional institute.

In accordance with the professional standard applicable to compilation engagements, our procedures were limited primarily to gathering, processing, classifying and summarizing financial information. Furthermore we have evaluated the appropriateness of the accounting policies which are used to compile the financial statements, based on the information provided by management. The nature of our procedures does not enable us to express any assurance on the true and fair view of the financial statements.

Confirmation

Based on the information provided to us, we have compiled the financial statements using the accounting policies as included in Part 9 of Book 2 of the Dutch Civil Code.

Squeezy Sports Nutrition N.V.
Amsterdam

Emphasis of uncertainty with respect to the going concern assumption

We draw attention to Note 3 on page 10 to the financial statements which indicates that the company incurred a nett result of € -23,791 during the year ended December 31, 2011 and, as of that date, the company's current liabilities exceeded its total assets by € 65.491. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our confirmation is not qualified in respect of this matter.

2 FISCAL POSITION

2.1 Taxable amount 2011

The taxable amount for 2011 has been calculated as follows:

	2011
	€
Result before taxation	<u><u>-24,565</u></u>

No corporate income tax is due over the taxable amount.

We are confident that herewith we have fully met the requirements of your assignment. If you have any questions please don't hesitate to contact us at you earliest convenience.

Yours sincerely,

Stroeken Rossieau B.V.

drs. A.P.M. Phiferons RA

AUDIT REPORT

FINANCIAL REPORT

- Financial statements**
- Other information**

FINANCIAL STATEMENTS

1 BALANCE AS PER DECEMBER 31, 2011
(after appropriation of result)

ASSETS

	December 31, 2011		December 31, 2010	
	€	€	€	€
FIXED ASSETS				
Financial fixed assets	(1)			
Subsidiaries		774		-
CURRENT ASSETS				
Cash and cash equivalents	(2)	1,859		-
		<u>2,633</u>		<u>-</u>

2 PROFIT & LOSS ACCOUNT FOR THE YEAR 2011

		2011		2010	
		€	€	€	€
Other operating expenses	(5)		24,057		13,000
Operating result			<u>-24,057</u>		<u>-13,000</u>
Financial income and expenses	(6)		-508		-
Result on ordinary activities			<u>-24,565</u>		<u>-13,000</u>
Taxation on result of ordinary activities			-		-
Share in result of participating interests	(7)		774		-22,000
Result after tax			<u><u>-23,791</u></u>		<u><u>-35,000</u></u>

3 NOTES TO THE STATEMENTS

GENERAL

Squeezy Sports Nutrition N.V. is a public limited company incorporated in the Netherlands with its statutory office in Amsterdam and its physical address at Laan van Diepenvoorde 3 in 5582 LA Waalre.

The company was incorporated on September 14, 2007. At November 30, 2007 the company has been listed at the Open Market of the Frankfurt Stock Exchange.

Activities

The activities of Squeezy Sports Nutrition N.V. are an investment holding company through the intermediate holding company Squeezy Sports Nutrition GmbH for its principle 50% subsidiary Squeezy Health GmbH. These subsidiaries are principally involved in the field of manufacturing and distributing of sports nutrition products, such as power gels, energy enhancement food/drink, supplementaries and weight loss products.

Consolidation

In accordance with article 2:407 part 2A of the Netherlands Civil Code no consolidated financial statements have been prepared.

LIST OF PARTICIPATING INTERESTS

Name, statutory registered office	Share in issued share capital
	%
Squeezy Sports Nutrition GmbH Braunschweig, Germany	100.00

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

Assumption of continuity

The continuity assumption was applied during the preparation of the financial statement.

However, because of the financial cash flow position of the company, there is significant doubt on the entity's ability to continue as a going concern. The repayment of the current liabilities is not covered by the current operation of the subsidiary Squeezy Sports Nutrition GmbH. At this moment there is an agreement of refinancing the short term loans.

For a more structural solution a volume increase is required. Therefore we have acquired new distributors in Europe. To become more independent from Europe, for 2013 we have implemented some bigger distributors in South America and are negotiating with a big company for the North American market.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Financial fixed assets

Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of the nett asset value. This nett asset value is based on the same accounting principles as applied by Squeezy Sports Nutrition N.V.. Participating interests with a negative nett asset value are valued at nil. In the case that the company fully or partly guarantees for the debts of the respective participating interest, a provision is recognised.

Trade and other receivables

Trade and other receivables are stated at nominal value, less any provision for doubtful debts. Provisions are designated on basis of individual assessment of recoverability of the receivables.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Determination of the result

The result is determined based upon the difference between the nett turnover and the costs and other expenses taking into account the accounting principles mentioned before.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Gross margin

The gross operating profit and loss comprises net turnover, the changes in inventories of finished goods and work in progress, work performed by the entity and capitalised, other operating income, cost price and cost of outsourced work and other external charges.

Financial income and expenses

Financial income and expenses comprise interest income and expense of loans for the current reporting period.

Share in result of participating interests

Where significant influence is exercised over participations, the group's share in the participations' results is included in the consolidated profit and loss account. This result is determined on the basis of the accounting principles applied by Squeezy Sports Nutrition N.V..

Taxation

Corporate income tax expense comprises current and deferred tax. Corporate income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

4 NOTES TO THE BALANCE SHEET AS PER DECEMBER 31, 2011

Fixed assets

1. Financial fixed assets

Subsidiaries

	2011	2010
	€	€
<i>Squeezy Sports Nutrition GmbH</i>		
Book value as per January 1	-	25,000
Share in result	774	-25,000
Book value as per December 31	<u>774</u>	<u>-</u>

Current assets

	12/31/2011	12/31/2010
	€	€
<i>2. Cash and cash equivalents</i>		
Nord Deutsche Landesbank	<u>1,859</u>	<u>-</u>

3. Equity

Issued capital

Subscribed and paid up 12,500,000 ordinary shares at par value
€ 0.01

<u>125,000</u>	<u>125,000</u>
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The authorised capital amounts 50,000,000 shares of € 0.01.

	2011	2010
	€	€
<i>Share premium reserve</i>		
Book value as per January 1	338,000	338,000
Movement	-	-
Book value as per December 31	<u>338,000</u>	<u>338,000</u>

	<u>2011</u>	<u>2010</u>
	€	€
<i>Other reserves</i>		
Book value as per January 1	-504,700	-469,700
Appropriation of the nett result	-23,791	-35,000
Book value as per December 31	<u>-528,491</u>	<u>-504,700</u>

4. Current liabilities

	<u>12/31/2011</u>	<u>12/31/2010</u>
	€	€
<i>Trade creditors</i>		
Trade creditors	<u>3,637</u>	<u>5,885</u>

Loans Group Companies

Squeezy Sports Nutrition GmbH	<u>11,722</u>	<u>-</u>
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Repayment of the loans shall take place at December 2012. An interest rate of 6% has been calculated.

Group Companies

Squeezy Sports Nutrition GmbH	<u>40,000</u>	<u>30,000</u>
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No interest has been calculated.

Accrued liabilities

Administration costs	3,750	-
Audit costs	<u>9,015</u>	<u>5,815</u>
	<u>12,765</u>	<u>5,815</u>

5 NOTES TO THE PROFIT & LOSS ACCOUNT OVER THE YEAR 2011

Staff

During the 2011 financial year the company had no employees (2010: 0).

	2011	2010
	€	€
5. Other operating expenses		
Accommodation expenses	1,500	1,500
General expenses	22,557	11,500
	<u>24,057</u>	<u>13,000</u>
<i>Accommodation expenses</i>		
Domiciliation fee	<u>1,500</u>	<u>1,500</u>
<i>General expenses</i>		
Audit costs	3,674	-
Consultancy fees	6,950	-
Legal charges	100	-
Subscriptions and contributions	283	-
Administration costs	2,250	-
Other general expenses	9,300	11,500
	<u>22,557</u>	<u>11,500</u>
6. Financial income and expenses		
<i>Interest and similar expenses</i>		
Interest and bankcharges	126	-
Interest payable Squeezy Sports Nutrition GmbH	382	-
	<u>508</u>	<u>-</u>
7. Share in result of participating interests		
Share in result of Squeezy Sports Nutrition GmbH	774	-25,000
Write off current account	-	3,000
	<u>774</u>	<u>-22,000</u>

Squeezy Sports Nutrition N.V.
Amsterdam

Signing of the financial statements

Amsterdam, November 13, 2012

Management Board:

Roger Walter Milenk

Supervisory Board:

Florian Pfingsten

Robert Käß

Detlev Kutscher

OTHER INFORMATION

1 NOTIFICATION REGARDING THE ABSENCE OF AN AUDIT REPORT

On the basis of Article 2: 396 paragraph 1 of the Dutch Civil Code, your company has been exempted from the obligation to have an accountant audit the annual account. No instruction for an audit was, therefore, provided. The audit report is, therefore, absent.

2 STATUTORY APPROPRIATION OF PROFIT

In Article 15 of the company statutory regulations the following has been presented concerning the appropriation of result:

- The Management Board is entitled, after approval of the Supervisory Board, to transfer a part of the profit to the other reserves;
- The appropriation of the remaining part of the profit shall be decided by the general meeting of shareholders.

3 RECOGNITION OF THE LOSS FOR 2011

The Board of Directors proposes, with the approval of the Supervisory Board, to add the 2011 result to the other reserves for an amount of € negative € 23,791. The General Meeting of Shareholders will be asked to approve the appropriation of the 2011 result, this proposition is already recognised in the financial statements.