

Naturhouse Health, S.A. (Sole-Shareholder Company) and Subsidiaries

Combined Special Purpose Financial Statements
for the years ended 31 December 2012 and 2011
in accordance with International Financial
Reporting Standards as adopted by the European
Union (IFRS-EU)

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Naturhouse Health, S.A. (Sole-Shareholder Company) and Subsidiaries

Notes to the combined special purpose
financial statements for the years ended
31 December 2012 and 2011

1. Description and object of the Group companies

The combination scope as defined during the preparation of these special purpose combined financial statements consists of:

- a) Naturhouse Health, S.A (Sole-Shareholder Company) and Subsidiaries ("Naturhouse Health Subgroup") consolidated financial statements.
- b) S.A.S Naturhouse and Subsidiaries ("S.A.S Naturhouse Subgroup") consolidated financial statements.
- c) Kiluva Diet, S.L.U. (Sole-Shareholder Company) financial statements.
- d) Kiluva Portuguesa – Nutrição e Dietética, LDA. financial statements.
- e) Naturhouse, Sp. z o.o financial statements.

a) Naturhouse Health Subgroup

Naturhouse Health, S.A. (Sole-Shareholder Company), formerly Housediet, S.L.U. was incorporated for an indefinite period, in Barcelona on 29 July 1991. Its registered office is at calle Botánica 57-61, in L'Hospitalet de Llobregat, Barcelona, and the Company is registered with the tax identification number A-01115286.

Its corporate purpose, per its articles of association, is the exportation and wholesale and retail sale of all manner of products related with nutrition, medicinal herbs and natural cosmetics, as well as the preparation, promotion, creation, publishing, sale and distribution of all kinds of magazines, books and leaflets relating to the marketing of nutrition products, medicinal herbs and natural cosmetics. This activity is performed mainly through the Company's own stores or franchises. In addition to the activities that it carries out directly, the Company is the head of a group of subsidiaries which engage in the same activity, and which constitute, together with the Parent, the Naturhouse Health Group (see Appendix I).

Naturhouse Health, S.A. currently performs its activities mainly in Spain, Italy, France and Poland.

The Parent is fully owned by Kiluva, S.A. Accordingly, it is a sole-shareholder company.

On 17 June 2014, the Sole Shareholder of Housediet S.L.U., Kiluva, S.A., approved the transformation of Housediet, S.L.U. into a public limited company, together with the change in its company name to Naturhouse Health, S.A.U.

b) S.A.S Naturhouse Subgroup

Naturhouse, S.A.S., was incorporated for an indefinite period, in Albi on 20 December 2005. Its registered office is at 12 Rue Philippe Lebon, Zone de Jarlard, Albi, and the Company is registered with the tax identification number 487663502 R.S.C. ALBI.

The main activity of the company is supplying its franchised network with diet products.

The Parent is fully owned by Kiluva, S.A. Accordingly, it is a sole-shareholder company.

c) Kiluva Diet, S.L.U.

Kiluva Diet, S.L.U. was incorporated for an indefinite period, in Barcelona on 15 July 2005. Its registered office is at Avenida Lyon, nº 6, industrial estate of Ródano de Azuqueca de Henares, Guadalajara, and the Company is registered with the tax identification number B-63921050.

Its corporate purpose is the elaboration and distribution of all kind of diet products.

The Company is fully owned by Kiluva, S.A. Accordingly, it is a sole-shareholder company.

d) Kiluva Portuguesa – Nutrição e Dietética, LDA.

Kiluva Portuguesa – Nutrição e Dietética, LDA was incorporated for an indefinite period in 1999. Its registered office is at Avenida Dr. Luis Sá, nº 9 – Franção "M", Parque Industrial Monserrate, in Abrunheira, Sintra, Portugal. The Company is registered with the tax identification number 502407603.

The main activity of the company is the sale of food products and publishing magazines and other publications.

The Company is owned by 29% S.A.S. Naturhouse and 71% by Naturhouse Health S.A.U.

e) Naturhouse, Sp. z o.o

Naturhouse, Sp. z o.o was incorporated for an indefinite period in 2006. Its registered office is at 93-231 Lodz, Ul. Dostawcza 12, Poland, and the Company is registered with the tax identification number 5792097436.

Its corporate purposes are the sale of food, beverages and snuff products in specialty stores.

The Company is fully owned by Naturhouse Health S.A.U. Accordingly, it is a sole-shareholder company.

2. Basis of presentation of the combined special purpose financial statements

a) Basis of presentation

a.1) Basis of presentation of the combined special purpose financial statements

The following changes in the scope of consolidation of the Naturhouse Group occurred over the past few years:

- On 12 May 2011, Naturhouse Health Subgroup acquired a 71% equity interest in Kiluva Portuguesa – Nutrição e Dietética, LDA. This acquisition was performed through the Group companies Naturhouse Health, S.A.U. and Naturhouse, S.R.L., which acquired the 28% owned by Félix Revuelta Fernández, majority shareholder of Kiluva, S.A., and the 43% held by Kiluva, S.A., respectively. The total amount of the purchase by the Group was €7,120 thousand. Additionally, S.A.S Naturhouse acquired the 29 % equity interest in Kiluva Portuguesa – Nutrição e Dietética, LDA also held by Kiluva, S.A.
- In September 2011, all the shares of Naturhouse, Sp. zo.o (Poland) were acquired by the Parent from Kiluva, S.A
- On 29 July 2013, Naturhouse Health, S.A.U. merged with Kiluva Diet, S.L.U., through the absorption of the latter by the former, with the dissolution without liquidation of the absorbed company and the full transfer *en bloc* by way of universal succession of all the assets, rights and obligations comprising its equity to the absorbing company. In accordance with the merger project approved by the Sole Shareholder of both companies at that date, Kiluva, S.A., all the transactions performed by the absorbed company were considered to have been performed for accounting purposes by the absorbing company from 1 January 2013 onwards. Also, as a result of this merger, an additional 50% of the subsidiary Housediet, S.A.R.L. owned by Kiluva Diet, S.L.U. (hereinafter, Kiluva Diet subgroup) was included in the scope of consolidation at that date.
- On 5 June 2014, the Sole Shareholder of Naturhouse Health, S.A.U. (Kiluva S.A.) increased the Company's capital. The capital increase was fully subscribed and paid by the Sole Shareholder through a non-cash contribution of the share capital of S.A.S. Naturhouse, until then wholly owned by Kiluva, S.A. S.A.S. Naturhouse owns 100% of Naturhouse Belgium, S.P.R.L.

Consequently, consolidated financial information for 2012 and 2011 relating to the current corporate structure of Naturhouse Health, S.A.U. and Subsidiaries (currently the Naturhouse Group) does not include:

- Results for the Portuguese company for the whole of 2011 (only 8 months are included, from May 2011; date from it was incorporated in the scope of consolidation Naturhouse Health). Furthermore, Naturhouse Health Subgroup registered non-controlling interests for 29 % equity interest held by S.A.S. Naturhouse.
- Results for the Polish company for the whole of 2011 (only 4 months are included, from September 2011; date from it was incorporated in the scope of consolidation Naturhouse Health).
- The full year 2011 and 2012 assets and liabilities of the merged company in the 2013 accounts of Kiluva Diet, S.L.U. (and its subsidiary Housediet, S.A.R.L.), or its consolidated figures for 2011 and 2012.
- The full year 2011 and 2012 assets and liabilities of the company contributed in June 2014, S.A.S. Naturhouse (and its subsidiary Naturhouse Belgium, SPRL), or its consolidated figures for 2011 and 2012.

In this context and considering the relevance of these four contributions (the Combined Companies), it is suitable to include for a potential Initial Public Offering "IPO" of Naturhouse Health, S.A.U. in the Spanish Stock Market, combined special purpose financial statements for the years ended 31 December 2012 and 31 December 2011, with the aim to present homogeneous and comparable historical financial information to investors.

No combined financial information has been specially prepared for 2013 because the pro-forma information for that year considers the contribution made S.A.S Naturhouse Subgroup at 31 December 2013 in order to the balance sheet and to 1 January 2013 in order to the income statement.

The accompanying combined special purpose financial statements have been prepared in order to show the combined activity of the Combined Companies, during which time, even though these Subgroups were under common control of their majority shareholder, they were not integrated in a unique consolidated group. In this regard and in the context of the potential Initial Public Offering "IPO" of Naturhouse Health, S.A.U., the Naturhouse Health, S.A.U.'s Sole Director has prepared these special purpose combined financial statements.

In 2012 and 2011 the Combined Companies did not operate under the current legal structure, so these combined special purpose financial statements are therefore, not necessarily indicative of results that would have occurred if Nathourhouse Group and the Combined Companies had operated under the same legal structure during the years presented, or of future results of the business. Accordingly, the combined special purpose financial statements may not be suitable for other purposes than the aforementioned.

This basis of presentation describes how the combined special purpose financial information has been prepared from the audited consolidated annual accounts of Naturhouse Health, S.A.U. in accordance with International Financial Reporting Standard as adopted by de European Union (IFRS-EU) and the financial statements of the Combined Companies, for the years ended December 31, 2011 and 2012 in according to the paragraph below.

These combined special purpose financial statements for 2012 and 2011 were formally prepared considering the following financial information:

- i) Audited Naturhouse Health, S.A.U. and subsidiaries consolidated financial statements for the years ended 31 December 2011 and 2012 prepared in accordance with IFRS-EU. Separate auditor report was issued by Deloitte, S.L. to the Sole Shareholder of Naturhouse Health, S.A.U. dated 29 september 2014.
- ii) Audited Kiluva Portuguesa – Nutrição e Dietética, LDA financial statements for the year ended 31 December 2011 prepared in accordance with Portuguese Gaap. Separate auditor report was issued by local auditor to the shareholders of Kiluva Portuguesa – Nutrição e Dietética, LDA dated 30 may 2012. These financial statements were converted to IFRS-EU.
- iii) Unaudited Naturhouse, Sp. zo.o financial statements for the year ended 31 December 2011 prepared in accordance with IFRS-EU.
- iv) Audited Kiluva Diet, S.L.U. financial statements for the years ended 31 December 2011 and 2012 prepared in accordance with Spanish Gaap. Separate auditor report was issued by local auditor to the shareholders of Kiluva Diet, S.L.U. dated 31 may 2012 and 10 may 2013, respectively. These financial statements were converted to IFRS-EU.

- v) Audited S.A.S. Naturhouse financial statements for the years ended 31 December 2011 and 2012 prepared in accordance with French Gaap and converted to IFRS-EU. Separate auditor reports were issued by local auditor to the shareholders of S.A.S. Naturhouse dated 11 may 2012 and 14 June 2013, respectively.

The combined special purpose financial statements were prepared with the following criteria:

- Aggregation of the five financial statements for the year ended 31 December 2011 mentioned above (balance sheet, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow), considering the proper elimination of the intercompanies transactions and balances between Naturhouse Health, S.A.U. and the Combined Companies. Based on this and regarding the inclusion of Kiluva Portuguesa – Nutrição e Dietética, LDA and Naturhouse, Sp. zo.o for the year ended 31 December 2011, it has only been aggregated the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow) of these companies for the months not included in Naturhouse Health, S.A.U. consolidated financial statements as explained before. The balance sheet was already included for the year ended 31 December 2011.

Additionally, in preparing the attached combined special purpose financial information, the Sole Director of Naturhouse Health, S.A. has considered the Accounting Conventions Commonly Used in the Preparation of Historical Financial Information in Investment Circulars compiled by the Auditing Practice Board (APB) from a number of sources to describe conventions commonly used for the preparation of historical financial information intended to show a true and fair view for the purposes of an investment circular. These Conventions are presented as an Annexure to the Standard Investment Reporting (SIR) 2000 issued by the APB, which is part of the Financial Reporting Council (FCRC).

Specifically in relation to the treatment of subsequent events to the reference date of these combined special purpose financial statements, it is normal practice to consider events only up to the date on which the audit report on the relevant underlying financial statements was originally signed by the auditors, except in relation to the final period presented. Accordingly, it has been considered that the fiscal year ended 31 December 2012 is the end of the presented period, since the combined special purpose financial statements for the years ended 31 December 2011 and 31 December 2012 are complementary to the information included in the consolidated financial statements of the aforementioned year (see Note 22). In respect of this final presented period, it will be necessary for post financial statements events to be reflected up to the date on which the historical financial information to be presented in the investment circular is approved by the responsible party.

The balance sheet included in the combined special purpose financial statements for the year ended 31 December 2012 and 2011 was prepared as follows (in thousands of euros):

31 December 2012:

ASSETS	Matarhouse Health S.A.U.	S.A.S Matarhouse	Kilvadiet, S.L.U.	Elimination of intragroup balances	Combined 31.12.2012	EQUITY AND LIABILITIES	Matarhouse Health S.A.U.	S.A.S Matarhouse	Kilvadiet, S.L.U.	Elimination of intragroup balances	Combined 31.12.2012
NON-CURRENT ASSETS:						EQUITY:					
Intangible assets	519	322	4	(300)	145	Share capital and reserves:	300	100	300	-	700
Property, plant and equipment	8,815	380	1,376	(184)	8,399	Subscribed share capital	-	-	2,308	-	2,308
Non-current financial assets	4,206	777	128	28	5,210	Share premium	8,472	(1,045)	388	(99)	5,991
Deferred tax assets	854	-	25	147	1,127	Reserves	117	-	-	-	117
Total non-current assets	12,094	1,496	1,533	(307)	14,816	Translation differences	2,774	4,374	(547)	(205)	7,396
						Profit for the year	10,463	3,426	2,194	(744)	15,340
						EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	1,885	-	-	(817)	373
						EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(1,748)	3,426	2,184	(1,114)	3,824
						Total equity	109	15	150	-	324
CURRENT ASSETS:						NON-CURRENT LIABILITIES:					
Inventories	2,421	1,041	272	-	3,634	Non-current provisions	4,901	1,489	150	-	6,540
Trade receivables for sales and services rendered	3,684	1,821	128	-	5,533	Non-current borrowings	173	-	105	-	278
Trade receivables, related companies	683	1,075	21	(1,764)	5	Deferred tax liabilities	6,340	1,904	306	-	8,550
Current tax assets and other tax receivables	408	117	29	-	554	Total non-current liabilities	11,414	3,493	555	-	15,462
Other current assets	315	172	29	-	516	CURRENT LIABILITIES:					
Investments in related companies	33,172	2,589	-	(281)	35,479	Current borrowings	28,437	1	548	-	29,986
Current financial assets	907	356	517	(517)	1,353	Financial liabilities with related parties	1,587	49	81	(789)	1,455
Cash and cash equivalents	47,017	6,709	1,425	(2,959)	52,292	Trade and other payables	3,408	1,218	456	-	5,082
Total current assets	59,115	10,206	3,010	(3,751)	68,580	Suppliers, related companies and other tax payables	2,220	2,555	73	(1,787)	5,061
TOTAL ASSETS						Total current liabilities	34,262	3,273	1,057	(2,576)	35,996
						TOTAL EQUITY AND LIABILITIES	58,115	16,206	3,613	(3,591)	69,943

31 December 2011:

ASSETS	Matarhouse Health S.A.U.	S.A.S Matarhouse	Kilvadiet, S.L.U.	Elimination of intragroup balances	Combined 31.12.2011	EQUITY AND LIABILITIES	Matarhouse Health S.A.U.	S.A.S Matarhouse	Kilvadiet, S.L.U.	Elimination of intragroup balances	Combined 31.12.2011
NON-CURRENT ASSETS:						EQUITY:					
Intangible assets	84	8	3	-	95	Share capital and reserves:	300	170	300	-	770
Property, plant and equipment	7,568	759	1,679	(189)	8,818	Subscribed share capital	-	-	7,145	-	7,145
Non-current financial assets	6,340	1,170	195	347	8,052	Share premium	5,474	(1,590)	1,208	(796)	4,396
Deferred tax assets	617	-	31	57	705	Reserves	9	-	-	-	9
Total non-current assets	12,247	1,437	1,908	275	15,857	Translation differences	7,536	3,310	(441)	(98)	10,307
						Profit for the year	12,116	1,934	2,632	(190)	16,492
						EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	1,295	-	-	(1,187)	108
						EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(4,611)	1,934	3,532	(1,387)	18,779
						Total equity	549	28	1,172	-	2,759
CURRENT ASSETS:						NON-CURRENT LIABILITIES:					
Inventories	2,240	481	494	-	3,215	Non-current provisions	8,248	880	4,172	-	13,300
Trade receivables for sales and services rendered	3,733	1,323	413	-	5,469	Non-current borrowings	179	-	127	-	306
Trade receivables, related companies	1,574	345	44	(451)	1,512	Deferred tax liabilities	6,876	808	4,294	-	12,978
Current tax assets and other tax receivables	421	71	4	-	500	Total non-current liabilities	15,303	1,716	8,593	-	25,612
Other current assets	26,617	584	4,619	(504)	31,716	CURRENT LIABILITIES:					
Investments in related companies	569	358	1,432	(1,432)	2,927	Current borrowings	29,092	-	209	-	29,301
Cash and cash equivalents	2,643	343	352	-	3,338	Financial liabilities with related parties	3,101	-	543	(540)	2,651
Total current assets	36,762	3,802	7,255	(2,367)	45,452	Trade and other payables	3,443	457	937	(456)	4,381
TOTAL ASSETS	49,009	5,239	9,163	(2,092)	61,312	Suppliers, related companies and other tax payables	3,430	175	127	-	3,732
						Total current liabilities	35,996	3,267	1,613	(996)	39,880
						TOTAL EQUITY AND LIABILITIES	54,005	5,005	9,806	(2,182)	61,643

The income statements included in the combined special purpose financial statements for the years ended 31 December 2012 and 2011 were prepared as follows:

Year 2012:

	Naturhouse Health S.A.U.	S.A.S Naturhouse	Kiluvadiet, S.L.U.	Elimination of intragroup transactions	Combined 2012
Revenue	57.787	24.752	6.540	(3.467)	85.612
Procurements	(20.115)	(8.180)	(3.009)	2.376	(28.928)
Gross profit	37.672	16.572	3.531	(1.091)	56.684
Other operating income	1.817	7	75	(849)	1.050
Staff costs	(13.139)	(3.145)	(2.325)	-	(18.609)
Other operating expenses	(14.489)	(5.049)	(1.254)	1.638	(20.144)
Operating profit before depreciation and amortisation, impairment and other profit (loss)	11.861	7.394	27	(301)	18.981
Depreciation and amortisation	(1.082)	(60)	(132)	2	(1.272)
Impairment losses and gains (losses) on disposal of fixed assets	242	(190)	(44)	-	8
OPERATING PROFIT	11.021	7.144	(149)	(299)	17.717
Finance income	2.242	4	87	(2)	2.331
Income from equity investments, third parties	691	-	86	-	777
Other finance income	1.551	4	1	(2)	1.554
Finance costs	(1.463)	(1)	(118)	5	(1.577)
Third-party borrowings	(5.600)	-	(627)	-	(6.227)
Impairment and gains(losses) on disposal of financial instruments	(1)	-	-	-	(1)
Exchange gains	(4.822)	3	(658)	3	(5.474)
FINANCIAL PROFIT (LOSS)	-	(146)	-	146	-
Share of profit (loss) of associates	6.199	7.001	(807)	(150)	12.243
CONSOLIDATED PROFIT BEFORE TAX	(2.583)	(2.827)	(40)	90	(5.160)
Income tax	3.616	4.374	(847)	(60)	7.083
NET PROFIT FROM CONTINUING OPERATIONS					
CONSOLIDATED NET PROFIT	3.616	4.374	(847)	(60)	7.083
Profit (loss) attributable to non-controlling interests	158	-	-	(145)	13
NET PROFIT FOR THE YEAR ATTRIBUTED TO THE PARENT	3.774	4.374	(847)	(205)	7.096

Year 2011:

	Naturhouse Health S.A.U.	Naturhouse, Sp. z o.o. (*)	Kiluva Portuguesa LDA (**)	S.A.S Naturhouse	Kiluvadiet, S.L.U.	Elimination of intragroup transactions	Combined 2011
Revenue	61.808	2.286	1.450	16.200	12.372	(3.147)	90.856
Procurements	(21.752)	(755)	(560)	(5.626)	(5.779)	3.147	(31.335)
Gross profit	39.937	1.521	890	10.590	6.593	-	59.521
Other operating income	1.675	24	45	(2.273)	(3.740)	(1.041)	(19.816)
Staff costs	(13.154)	(422)	(227)	(3.813)	(2.538)	1.041	(20.480)
Other operating expenses	(14.222)	(690)	(258)	(4.894)	439	-	(19.952)
Operating profit before depreciation and amortisation, impairment and other profit (loss)	14.136	433	450	(40)	(182)	2	(1.163)
Depreciation and amortisation	(871)	(63)	(21)	(40)	(31)	-	137
Impairment losses and gains (losses) on disposal of fixed assets	(18)	-	-	186	(31)	-	137
OPERATING PROFIT	13.247	370	429	4.632	248	2	18.926
Finance income	1.792	17	20	4	99	(4)	1.928
Income from equity investments, third parties	333	-	-	-	92	-	425
Other finance income	1.450	17	20	4	7	(4)	1.503
Finance costs	(1.214)	-	(24)	-	(199)	4	(1.433)
Third-party borrowings	(1.863)	-	(24)	-	(778)	7	(2.632)
Impairment and gains(losses) on disposal of financial instruments	(1)	-	-	-	-	-	(1)
Exchange gains	(1.286)	17	(4)	4	(876)	7	(2.138)
FINANCIAL PROFIT (LOSS)	-	-	-	227	-	(227)	-
Share of profit (loss) of associates	11.961	387	425	4.883	(830)	(219)	16.788
CONSOLIDATED PROFIT BEFORE TAX	(4.319)	(79)	(112)	(1.513)	186	(1)	(5.835)
Income tax	7.642	308	313	3.350	(442)	(219)	10.952
NET PROFIT FROM CONTINUING OPERATIONS							
CONSOLIDATED NET PROFIT	7.642	308	313	3.350	(442)	(219)	10.952
Profit (loss) attributable to non-controlling interests	(305)	-	(91)	-	-	-	(396)
NET PROFIT FOR THE YEAR ATTRIBUTED TO THE PARENT	7.336	308	222	3.350	(442)	167	10.941

(*) Results only include 4 months of the Polish company (from September 2011).

(**) Results only include 8 months of the Portuguese company (from May 2011).

a.2) Basis of general presentation

These combined special purpose financial statements 2012 and 2011 have been approved by the Sole Director of Naturhouse Health, S.A.U. on 30 September 2014.

The accounting policies used to prepare these combined special purpose financial statements comply with all the IFRSs in force at the date of their preparation. The EU-IFRSs provide for certain alternatives regarding their application. The alternatives applied are described in Notes 3 and 4. The Naturhouse Health, S.A.U. and subsidiaries consolidated financial statements for 2012 and 2011 were formally prepared:

- By the Sole Director of Naturhouse Health, S.A.U. held on 18 September 2014.
- On the basis of the accounting records kept by Naturhouse Health, S.A.U. Group and by the Combined Companies, so that they present fairly the group's consolidated equity and financial position at 31 December 2012 and 2011, and the results of its operations, the changes in combined special purpose equity and the combined special purpose cash flows in 2012 and 2011.

However, since the accounting policies and measurement bases used in preparing these combined special purpose financial statements (IFRS - EU) differ from those used by the Combined Companies or Subgroups (local standards), all the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with the International Financial Reporting Standards adopted in Europe.

In the elaboration of these combined special purpose financial statements, all accounting principles and mandatory valuation criteria that have a significant effect on the combined special purpose financial statements have been considered, as well as the alternatives of the policies in this regard, and are described in Note 3.

b) Adoption of International Financial Reporting Standards

Standards and interpretations effective in 2012 and 2011

These accounting standards, amendments and interpretations were taken into account when preparing these combined special purpose financial statements.

Adoption of the following standards has had no material impact on either the presentation or disclosures of the combined special purpose financial statements.

New standards, amendments and interpretations (Approved for use in the European Union)		Mandatory application for annual periods beginning on or after:
Amendments to IAS 12 – Income Tax – Deferred Tax on Investment Property (published in December 2010)	On the calculation of deferred tax on investment property, according to the fair value model stipulated in IAS 40.	Annual periods beginning on or after 01 January 2013 (IASB original date: 01 January 2012)

New standards, amendments and interpretations (Approved for use in the European Union)		Mandatory application for annual periods beginning on or after:
Amendment of IAS 1 – Presentation of Other Comprehensive Income (published in June 2011)	Minor amendment in relation to presentation of Other Comprehensive Income	Annual reporting periods beginning on or after 01 July 2012

Standards and interpretations issued but not yet effective

At the date of authorisation for issue of these combined special purpose financial statements, the following standards, amendments and interpretations had been issued by the International Accounting Standard Board (IASB) but had not yet come into force, either because their effective date is after the date of the combined special purpose financial statements or because they had yet to be adopted by the European Union (IFRS–UE):

New standards, amendments and interpretations		Mandatory application for annual periods beginning on or after:
Approved for use in the European Union		
IFRS 10 Consolidated financial statements (published in May 2011)	Replaces the current consolidation requirements of IAS 27.	Annual reporting periods beginning on or after 1 January 2014 ⁽¹⁾
IFRS 11 Joint Arrangements (published in May 2011)	Replaces IAS 31 on Interests in Joint Ventures.	Annual reporting periods beginning on or after 1 January 2014 ⁽¹⁾
IFRS 12 Disclosure of Interests in Other Entities (published in May 2011)	A single standard that sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint ventures, associates and unconsolidated structured entities.	Annual reporting periods beginning on or after 1 January 2014 ⁽¹⁾
IAS 27 Separate Financial Statements (Revised) (published in May 2011)	Amends IAS 27 which, after the issue of IFRS 10, deals only with separate financial statements.	Annual reporting periods beginning on or after 1 January 2014 ⁽¹⁾
IAS 28 Investments in Associates and Joint Ventures (Revised) (published in May 2011)	This revision is parallel to the issuance of IFRS 11 - Joint Arrangements.	Annual reporting periods beginning on or after 1 January 2014 ⁽¹⁾
Transition rules: Amendments to IFRS 10, 11 and 12 (published in June 2012)	Clarification of the transition rules of these standards.	Annual reporting periods beginning on or after 1 January 2014 ⁽¹⁾

New standards, amendments and interpretations		Mandatory application for annual periods beginning on or after:
Investment entities: Amendments to IFRS 10, IFRS 12 and IAS 27 (published in October 2012)	Exception in consolidation for parent companies which comply with the definition of investment entities.	Annual reporting periods beginning on or after 01 January 2014
Amendment to IAS 32 Offsetting Financial Assets and Financial Liabilities (published in December 2011)	Further clarifications of the rules for offsetting financial assets and financial liabilities under IAS 32	Annual reporting periods beginning on or after 01 January 2014
Amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets (published in May 2013)	Clarifies when certain disclosures are required and extends those required when recoverable amount is based on fair value less costs of disposal	Annual reporting periods beginning on or after 01 January 2014
Amendments to IAS 39, Novation of Derivatives and Continuation of Hedge Accounting (published June 2013)	The amendments determine in which cases and under what criteria the novation of a derivative does not make the interruption of hedge accounting necessary.	Annual reporting periods beginning on or after 01 January 2014
Not approved for use in the European Union		
IFRS 9 Financial instruments: Classification and Measurement (published in November 2009 and October 2010) and subsequent amendments of IFRS 9 and IFRS 7 on effective date and transition disclosures (published in December 2011) and hedge accounting and other amendments (November 2013)	Replaces the requirements for the classification, measurement and derecognition of financial assets and financial liabilities under IAS 39.	Undefined
IFRS 15 Revenue from Contracts with Customers (published in May 2014)	New standard for the recognition of income (substitutes IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31)	Annual reporting periods beginning on or after 01 January 2017

New standards, amendments and interpretations		Mandatory application for annual periods beginning on or after:
Amendments to IAS 19 Defined Benefit Plans: Employee Contributions (published in November 2013)	The amendments permit contributions to be recognised as a reduction in the service cost in the period in which payment for the related service is made if certain requirements are met	Annual reporting periods beginning on or after 01 July 2014
Improvements to the IFRS 2010-2012 Cycle and 2011-2013 Cycle (published in December 2013)	Minor amendments to certain standards	Annual reporting periods beginning on or after 01 July 2014
Amendments to IAS 16 and IAS 38 - Acceptable Methods of Depreciation and Amortisation (published in May 2014)	Clarifies the acceptable intangible asset and property, plant and equipment amortisation and depreciation methods.	Annual reporting periods beginning on or after 01 January 2016
Amendments to IFRS 11 - Recognition of Acquisitions of interests in Jointly Controlled Operations (published in May 2014)	Specifies how to recognise acquisitions of interests in Jointly Controlled Operations whose activity constitutes a business.	Annual reporting periods beginning on or after 01 January 2016

(1) The European Union has postponed the mandatory application date by one year. The original application date by the IASB was 1 January 2013.

(2) The European Union endorsed IFRIC 21 (EU Bulletin 14 June 2014), replacing the original entry date in force established by the IASB (1 January 2014) with that of 17 June 2014.

Naturhouse Health S.A.U. has not considered the early application of the aforementioned standards and interpretations, awaiting the approval, if any, of the European Union.

Naturhouse Health S.A.U.'s Sole Director has assessed the potential impacts of the future application of these standards and considers that they will not have a material effect on these combined special purpose financial statements, except as detailed below.

c) Functional currency

These combined special purpose financial statements are presented in euros as this is the currency of the main economic area in which the Group operates. Foreign operations are recognised in accordance with the policies described in Note 4.I.

d) Responsibility for the information provided and estimates and judgements made

The information contained in these combined special purpose financial statements for the years ended 31 December 2012 and 31 December 2011 is the responsibility of the Naturhouse Health, S.A.U.'s Sole Director in accordance with elaboration criteria of the combined special purpose financial statements mentioned on the same note. Furthermore, the Naturhouse Health, S.A.U.'s Sole Director is responsible for the elaboration and content of the consolidated financial statements for the years ended 31 December 2012 and 31 December 2011 of Naturhouse Health, S.A.U. and Subsidiaries which have been the basis for the special purpose combined financial statements, such as the internal control considered necessary to permit preparation of financial statements free of material misstatement.

The preparation of combined special purpose financial statements under IFRS requires that the Parent's Sole Director performs certain accounting estimates and considers certain elements of judgement. These are continuously assessed and are based on historic experience and other factors, including prospects of future events, which are considered reasonable in line with the circumstances. While the estimates considered were performed based on the best available information at the time of authorising these combined special purpose financial statements, in accordance with IAS 8, any future modification in said estimates would be applied prospectively from said date, recognising the effect of the change in the estimate in the combined special purpose income statement for the year in question.

The main estimates and judgements used in preparing the combined special purpose financial statements were as follows:

- The useful lives of items of property, plant and equipment and intangible assets (see Notes 4.a and 4.b).
- Impairment losses on non-financial assets (see Note 4.c).
- Assessment of the occurrence and quantification of disputes, commitments and contingent assets and liabilities at year-end (see Notes 4.h and 13).
- Estimate of the appropriate impairment for bad debts and inventory obsolescence (see Notes 4.e and 4.f).
- Hypotheses used to calculate the fair value of available-for-sale financial assets or other financial instruments (see Note 4.e).
- Estimate of the income tax expense and recoverability of the deferred tax assets (see Notes 4.k and 16).

e) Materiality

In determining the information to be disclosed in these notes on different items in the combined financial statements or other matters, the Group has taken account of their materiality in relation to the combined financial statements for 2012 and 2011.

3. Basis of consolidation and changes in the scope of consolidation

a) Subsidiaries

Subsidiaries are companies over which the Parent has the ability to exercise effective control. Effective control is evidenced in general, although not exclusively, by the direct or indirect ownership of 50% or more of the voting rights of the subsidiaries or, when this percentage is lower or nil, by virtue of shareholder agreements that grant the Parent control. In accordance with IAS 27, control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities. Appendix I to these notes to the combined special purpose financial statements contains relevant information on these entities.

The financial statements of the subsidiaries are fully consolidated with those of Naturhouse Health, S.A.U., S.A.S Naturhouse, Kiluva Diet, S.L.U., Kiluva Portuguesa – Nutrição e Dietética, LDA. and Naturhouse, Sp. z.o.o. Therefore, all material balances and results of transactions carried out between consolidated companies have been eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of the subsidiaries to adapt the accounting policies used to those applied by Naturhouse Health S.A.U.

In addition, with respect to the share of third parties, the following must be taken into account:

- The equity of their subsidiaries is presented within each Subgroup's equity under "Equity attributable to non-controlling interest" in the combined special purpose balance sheet.
- The profit for the year is presented under "Profit (loss) attributable to non-controlling interests" in the combined special purpose income statement.

The results of subsidiaries acquired during the year are included in the combined special purpose income statement from the effective date of acquisition to year-end. Similarly, the results of subsidiaries disposed of during the year are included in the combined special purpose income statement from the beginning of the year to the date of disposal only.

In accordance with standard practice, the accompanying combined special purpose financial statements do not include the tax effects that might arise as a result of the inclusion of the results and reserves of the consolidated companies in those of the Parents, since it is considered that no transfers of reserves will be made that are not taxed at source and that such reserves will be used as means of financing at each company.

b) Translation of financial statements in currencies other than the euro

The foreign companies' financial statements were translated to euros by applying the year-end exchange rate method, whereby the companies' equity is measured at the historical exchange rates, the income statement items at the average exchange rates for the year and the assets, rights and obligations at the year-end exchange rates. Translation differences are charged or credited, as appropriate, to "Equity - Translation Differences" in the combined special purpose balance sheet.

c) Changes in the scope of consolidation of Subgroups

Business combinations of entities or businesses under common control are excluded from the scope of IFRS 3. A business combination between entities or businesses under common control is a business combination in which all the entities or businesses combining are ultimately controlled by the same party or parties, both before and after the business combination, and this control is not transitory.

The Sole Director has established the carrying amount of the predecessor as the accounting policy to measure these transactions under common control for which no specific guide exists under IFRS.

2012-

In 2012, the changes in the Group's consolidation scope were as follows:

Rights issue at Naturhouse, GmbH (Germany):

In 2012, Naturhouse, GmbH performed a rights issue for €200 thousand in which S.A.S, Naturhouse Subgroup, linked to the Naturhouse Health Subgroup's Sole Shareholder, took part. As a result of this increase, Naturhouse Health Subgroup reduced its investment in this subsidiary from 96% at 2011 year-end to 56% at 2012 year-end. The rest of the investee was then owned by S.A.S, Naturhouse Subgroup.

In 2012, S.A.S. Naturhouse Subgroup incorporated Naturhouse Belgium, SPRL in which it holds the fully ownership.

2011-

In 2011, the changes in the Group's consolidation scope were as follows:

Liquidation of Housediet, LLC. (USA):

On 15 June 2011, the investee Housediet, LLC was liquidated. The impact on the Group's equity of this liquidation was insignificant.

Acquisition of Kiluva Portuguesa – Nutrição e Dietética, LDA (Portugal):

On 12 May 2011, Naturhouse Health Subgroup acquired a 71% equity interest in Kiluva Portuguesa – Nutrição e Dietética, LDA. This acquisition was performed through the Group companies Naturhouse Health, S.A.U. and Naturhouse, S.R.L., acquiring the 28% owned by Félix Revuelta Fernández, majority shareholder of Kiluva, S.A., and 43% of Kiluva, S.A., respectively. The aforementioned purchase by the Group generated a joint amount of €7,120 thousand. On the same date, S.A.S. Naturhouse Subgroup acquired a 29% equity interest in Kiluva Portuguesa – Nutrição e Dietética, LDA. to Kiluva, S.A. paying an amount of €2,880 thousand.

The Group did not apply IFRS 3 since the transaction involved a business combination of entities under the common control of Kiluva, S.A. The difference between the assets and liabilities acquired at their carrying amount and the cost of the business combination was recognised with a negative impact in the consolidated equity.

Acquisition of Naturhouse, Sp. z o.o. (Poland):

In September 2011, all the shares of Naturhouse, Sp. z o.o. (Poland) were acquired by Naturhouse Health Subgroup from Kiluva, S.A. As a result, the Group became the owner of all the assets and liabilities of the company acquired at 2011 year-end. The Group did not apply IFRS 3 since the transaction involved a business combination of entities under the common control of Kiluva, S.A. The difference between the assets and liabilities acquired and the cost of the business combination did not have a significant effect on the Naturhouse Group's consolidated equity. The aforementioned purchase by the Group amounted to €676 thousand.

4. Accounting policies

The principal accounting policies used to prepare these combined special purpose financial statements, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, were as follows:

a) Intangible assets

As a general rule, intangible assets are measured initially at acquisition or production cost, and subsequently, at cost less any accumulated amortisation and, where appropriate, any accumulated impairment losses incurred in line with the criteria described in Note 4.c. These assets are amortised over their useful lives.

Research and development

The nature of the Group's business is not intensive in significant expenditures in research and development, not generating more spending on R & D than the corresponding registration of the mark and the product

formula in the health department. The Group's policy is to expense research and development costs currently, considering that they do not meet the criteria for capitalisation under IAS 38 and as their amounts are not material (most research and development activity is carried out by Group suppliers).

The expenses recognised in the 2012 and 2011 combined special purpose income statements were €21 thousand and €17 thousand, respectively.

Leaseholds

Amounts paid for rights to lease premises in the acquisition of new stores. These rights are amortised on a straight-line basis over a five-ten year period.

Intellectual property

Amounts paid to acquire ownership or usage rights in its different forms and the expenses incurred in the registration of the trademark developed by the Group. The Group doesn't 'have significant intellectual property. Intellectual property is amortised on a straight-line basis over its useful life, estimated at between five-ten years.

Computer software

Licenses for computer software acquired from third parties or computer programmes prepared internally, are capitalised on the basis of the costs incurred to acquire or develop them and prepare them for use.

Computer software is amortised on a straight-line basis over its useful life, at a rate of between 20% and 33% a year.

Maintenance costs relating to computer software incurred during the year are charged to the combined special purpose profit and loss account.

b) Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition or production cost, and are subsequently reduced by the related accumulated depreciation and by any impairment losses, recognised as indicated in Note 4.c.

Upkeep and maintenance costs relating to property, plant and equipment are taken to the consolidated income statement for the period in which they are incurred. Conversely, costs incurred that increase capacity or efficiency or extend the useful life of the assets are capitalised as part of the cost of the related assets.

Replacements or renewals are recorded as an addition to property, plant and equipment and the units replaced or renewed are derecognised.

Borrowing costs incurred during the construction or production period prior to the entry into service of the assets are capitalised, arising both from specific financing sources aimed expressly at acquiring fixed assets, and from general financing sources in line with the guidelines established for qualifying assets under IAS 23. In 2012 and 2011, no borrowing costs were capitalised as an addition to assets.

The years of useful life estimated by the Group for each group of items is as follows:

	Years of estimated useful life
Buildings	33.33
Other fixtures, tools and furniture	8.33 - 30
Data processing equipment	3 - 4
Transport equipment	6.25 - 10

All items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets.

Items of property, plant and equipment are derecognised when they are sold or when no future economic profit is expected to be obtained from their continued use. The gain or loss arising on the disposal or derecognition of an asset is determined as the difference between the proceeds from the sale and the carrying amount of the asset, and is recognised in the combined special purpose income statement.

Investments made by the Group in leased premises (or premises assigned in use), which cannot be separated from the leased asset (or assigned in use), are depreciated on the basis of their useful life which is the lower of the duration of the lease agreement (or of the transfer), including the renewal period when there is evidence which demonstrates that it is going to occur, and the economic life of the asset.

c) Impairment of non-financial assets

When there is any indication of decline in value, the Group performs an impairment test to estimate the possible loss of value that may reduce the recoverable amount of the assets to below their carrying amount.

Assets that are subject to depreciation and amortisation are submitted to annual impairment tests whenever an event or change in their circumstances may indicate that their carrying amount may not be recoverable. An impairment loss is recognised to the extent that the carrying amount exceeds its recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and value in use.

The Group did not have intangible assets or goodwill of material amounts at 31 December 2012 and 2011, and therefore they were not tested for impairment.

The main items of property, plant and equipment are land and buildings, which were appraised by independent third parties in 2012. The appraisals indicated that carrying amount was at least the appraisal value.

For other property, plant and equipment, the Group evaluate annually whether there are indications of impairment (or interim periods in the event of conflict or deterioration), determining that the financial statement's date, there are no grounds to believe that the value recoverable from such assets is less than its book value, so that the Group is not subject to deteriorate.

d) Operating and finance leases

Leases are classified as finance leases when the terms of the lease substantially transfer the risks and benefits of ownership to the Group, which usually has an option of acquiring the asset at the end of the lease under the conditions agreed when the transaction was arranged. Other lease arrangements are classified as operating leases.

At the inception of the lease term, the Group recognises assets and liabilities on finance leases in the combined special purpose statement of financial position at the lower of the market value of the leased asset or the present value of the minimum lease payments. The implicit interest rate of the lease agreement is used to calculate the present value of the lease payments. The cost of assets acquired under finance leases is recognised in the combined special purpose statement of financial position in accordance with the nature of the leased asset.

When the Group acts as lessee, operating leases are charged to the combined special purpose income statement on a straight-line basis over the term of the agreement, regardless of the form stipulated in this agreement for their payment. In the event incentives are stipulated in the agreement by the lessor, consisting of payments to be made by it which should correspond to the lessee, the income arising therefrom is taken to the combined special purpose income statement as a reduction in the costs of this agreement on a straight-line basis in the same way as such costs.

Leases do not have grace periods or compensatory clauses which generate a future payment commitment obligation which could have a significant impact on these financial statements.

e) Financial instruments

Financial assets and liabilities are disclosed in combined special purpose statement of financial position when the group companies become one of the parties to the contractual terms of the instrument.

The measurement bases applied by the Group to its financial instruments in 2012 and 2011 were as follows:

Financial assets

The financial assets held by the Group are classified into the following categories:

- Loans and receivables
- Available-for-sale financial assets

Their classification depends on the type and purpose of the financial asset and is determined at the date of their initial recognition.

1. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, cash on hand and at banks, etc.) are measured at amortised cost, applying the effective interest rate method, less any impairment.

Interest income is recognised by applying the effective interest rate method, except in the case of current account receivables, since in this case, the effect of discounting is immaterial.

The effective interest rate method is used to calculate the amortised cost of a debt instrument and to allocate interest income throughout the related period. The effective interest rate is that which enables the future estimated proceeds (including the fees paid or received which form an integral part of the effective interest rate, the transaction costs and other premiums or discounts) to be discounted exactly over the expected life of the debt instrument or, if appropriate, over a briefer period until reaching the net carrying amount at the date of initial recognition.

The Group records the corresponding provisions for the difference between the recoverable amount of the accounts receivable and the carrying amount at which they are stated.

2. Available-for-sale financial assets

Available-for-sale financial assets include debt securities and equity instruments which are not classified as loans and receivables, held-to-maturity investments or financial assets held for trading.

All the available-for-sale financial assets held by the Group at 31 December 2012 and 2011 correspond to shares in companies quoted on Spain's primary market.

Initial measurement

Financial assets are initially recognised at the fair value of the consideration given plus directly attributable transaction costs.

Subsequent measurement

Loans and receivables and held-to-maturity investments are measured at amortised cost, using the effective interest rate method. Loans and receivables in the combined special purpose statement of financial position maturing in under 12 months from the combined special purpose statement of financial position date are classified as current.

Available-for-sale financial assets are measured at fair value and the gains and losses arising from changes in fair value are recognised in the combined special purpose statement of comprehensive income until the asset is disposed of or it is determined that it has become (permanently) impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in profit or loss for the year. An asset is presumed to be permanently impaired if its market value has fallen by over 40% or has fallen and failed to recover for a year and a half.

At least at each reporting date the Group tests its financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the combined special purpose income statement.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the contractual rights to receive the cash flows of the financial assets or transfers substantially all the risks and rewards of ownership of the financial asset. However, the Group does not derecognise financial assets which it sells while retaining substantially all the risks and rewards of ownership, instead recognising a financial liability equal to the consideration received.

Financial liabilities

Financial liabilities include debts and payables by the Group that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, while not having commercial substance, cannot be classed as derivative financial instruments.

Debts and payables are initially recognised at the fair value of the consideration received, adjusted for directly attributable transaction costs. Subsequently, these liabilities are measured at amortised cost, considering the effective interest rate.

The Group derecognises financial liabilities once the resulting obligations have been extinguished.

f) Inventories

Inventories are measured at the lower of acquisition or production cost and net realisable value.

Net realisable value represents the estimated selling price less all estimated costs of completion and the costs to be incurred in the marketing, sale and distribution of the product.

The Group uses the weighted average cost method to allocate the value of its inventories.

The Group recognises the appropriate impairment losses and records them as an expense in the combined income statement when the net realisable value of inventories is lower than their acquisition cost (or production cost).

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits at banks and other highly liquid instruments with maturities of three months or less.

h) Provisions and contingencies.

In preparing the combined special purpose financial statements, the Naturhouse Health, S.A.U.'s Sole Director distinguishes between:

- a) Provisions: credit balances covering present obligations arising from past events, the settlement of which is likely to give rise to a cash outflow, but which are uncertain as to their amount and/or timing.
- b) Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not within the Group's control.

Provisions are recognised in the accompanying combined special purpose statement of financial position when it is considered more likely than not that the corresponding obligation will have to be settled.

Contingent liabilities are not recognised in the financial statements, but rather are disclosed in the notes to the combined special purpose financial statements, unless they are considered remote.

Provisions are recognised at the present value of the best estimate of the consideration required to settle or transfer the present obligation, taking into account the information available on the event and its

consequences. Where discounting is used, adjustments made to provisions are recognised as a finance cost on an accrual basis.

The compensation receivable from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will be received, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Group is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised, if any.

i) Termination benefits

Under current legislation, the Group is required to pay severance to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. The accompanying combined special purpose financial statements recognise no provision in this regard, because no situations of this kind are expected.

J) Commitments to employees

Non-current liabilities for benefits are recognised in the accompanying combined special purpose statement of financial position at the present value of the obligations assumed at the reporting date by the Italian subsidiary Naturhouse, S.R.L. (Note 13.a). The Group recognises as an accrued income or expense for long-term benefits, the net cost of the services provided in the year, and that related to any reimbursement and the effect of any reduction or settlement of the commitments acquired. The Group considered the effect of updating this provision, and the concomitant financial impact on results and consolidated equity not to be material.

k) Income tax and deferred taxes

The Spanish income tax expense/revenue and analogous taxes applicable to consolidated foreign operations are recognised in the combined special purpose income statement, except when they are generated by a transaction the gains/losses on which are taken directly to consolidated equity, in which instance the corresponding tax is also recognised in equity.

Income tax is the sum of current tax payable and the variation in deferred tax assets and liabilities recognised.

The current tax expense is calculated on the taxable profit for the year of the consolidated companies. Consolidated taxable income for the year differs from the profit before tax presented in the combined special purpose income statement in that it excludes certain taxable or deductible revenues or expenses from prior years and certain other items that are never taxable or deductible. The Group's current tax liabilities are calculated using tax rates that have been approved at the reporting date.

In Spain, Naturhouse Health S.A.U. files consolidated tax returns, as permitted by the Corporate Income Tax Law, and Kiluva, S.A is the Parent of tax Group no. 265/09, which includes all its subsidiaries that meet the requirements in the legislation governing the taxation of the consolidated profit of corporate groups in Spain.

Deferred tax liabilities and assets include temporary differences identified on tax items that are expected to be either payable or recoverable arising from differences between the carrying amounts of the assets and liabilities in the financial statements, and the corresponding tax loss carryforwards and unused tax credits.

These amounts are measured by applying to the corresponding temporary difference or tax asset, the tax rate at which the asset is expected to be realised or the liability is expected to be settled.

Deferred tax assets are recognised for temporary differences to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax asset can be utilised, and the deferred tax assets do not arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that affects neither accounting profit (loss) nor taxable profit (tax loss). The remaining deferred tax assets (unused tax losses and credits) are only recognised if it is considered likely that the consolidated companies will have sufficient taxable profits in the future against which the unused losses and credits may be utilised.

The deferred tax assets and liabilities recognised are reassessed at each reporting date in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

l) Foreign currency

The combined special purpose financial statements are presented in euros, which is the Parent's functional currency. On preparing these combined special purpose financial statements, transactions in currencies other than the entity's functional currency (foreign exchange), are recognised at the exchange rates in force at the transaction date. At the end of each reporting period, monetary items denominated in foreign currencies are translated to euros at the rates prevailing on the closing date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date on which the fair value was determined. Non-monetary items valued at historical cost in a foreign currency are not re-translated.

Exchange differences in the monetary items are recognised in the combined special purpose income statement in the year in which they arise.

For the purposes of presenting these combined special purpose financial statements, the assets and liabilities of the Group's foreign operations are translated to euros by applying the exchange rates in force at the end of each financial year. Revenue and expense items are translated at the average exchange rates for the year, unless the rates fluctuate significantly during this period, in which case, those in force at the transaction dates will be applied. Exchange differences, if any, are recognised in other comprehensive income and accumulate in equity (assigning them to non-controlling interests, where appropriate).

m) Revenue recognition

Revenues are recognised to the extent that it is probable that the Group will obtain economic benefits and if such revenue can be reliably measured, regardless of the date on which the payment is made. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria should also be met before posting a revenue:

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement nor effective control over the goods sold;
- The amount of the revenue can be measured reliably;

- It is probable that the economic benefits associated with the transaction will flow to the Group;

Goods are sold mainly to franchise customers or directly to end customers (consumers) through the Group's own stores.

Returns by franchise or end customers are not significant.

Rendering of services

Revenue obtained by the Group from the rendering of services relates primarily to the annual fee charged directly to franchisees and the amount under "master franchise" agreements charged to a third party so that the third party can operate certain of the Group's franchises in certain countries. Master franchise agreements are normally signed for a period of seven years, with amounts ranging from €50,000 to €300,000, included in a single invoice.

In accordance with IAS 18, the Group recognises all the revenue from the master franchise when it has transferred the risks and rewards of the agreement. In general, this is when the first franchise covered by the master franchise agreement is opened.

Other operating income

The Group mainly recognises under this item costs re-invoiced to related parties and, to a lesser extent, income from the photovoltaic plants it owns (see Note 7).

Dividend and interest income

Dividends from investments are recognised when the right of the shareholder to receive the payment has been established (provided that it is probable that the associated economic benefits will flow to the Group and the amount of the revenue can be measured reliably).

Interest income arising from a financial asset is recognised when it is probable that the associated economic benefits will flow to the Group and the amount of the revenue can be measured reliably. Interest income is accrued on a time basis according to the principal payment pending and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash flows over the life of the financial asset to the net carrying amount thereof.

n) Expense recognition

Expenses are recognised in the combined special purpose income statement when there is a decrease in the future economic benefits related to a reduction in an asset or an increase in a liability that can be measured reliably. This means that the recognition of expenses takes place simultaneously with the recognition of the increase in the liability or the reduction in the asset.

An expense is recognised immediately when a payment does not generate future economic benefits, or when the necessary requisites for it to be recorded as an asset have not been met.

Also, an expense is recognised when a liability is incurred and no asset is recognised, as in the case of a liability relating to a guarantee.

The Group's main expenses relate to supplies (purchases of finished goods from suppliers), other operating expenses (leases, advertising, transport, services received from the Sole Shareholder and independent professional services) and staff costs (salaries and wages, employee benefits expenses and termination benefits).

As indicated in Note 18.2, most purchases of finished goods are from related parties.

n) Related party transactions

The Group carries out trade transactions with related parties (sales, rendering and receiving services, and leases, see Note 18.2), as defined in IAS 24, at market prices.

Transfer prices are justified appropriately by an independent expert report (supported mainly by comparable transactions in the industry, especially purchases from related party suppliers). Accordingly, the Parent's Sole Director considers that there are no material risks in this connection that might give rise to significant liabilities in the future. In addition, most related party transactions involve companies included in the tax group.

Fair value accounting adjustments are made for non-trade transactions with related parties not carried out at market prices (see Note 12.d).

There are other occasional transactions with related parties measured at carrying amount (see Note 3.c).

o) Environmental information

Environmental assets are deemed to be assets used on a lasting basis in the Group's activities, whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of pollution in the future.

These assets are measured in the same way as other items of property, plant and equipment; at acquisition or production cost.

The Group depreciates these items using the straight-line method, based on the estimated number of remaining years of useful life of the different assets.

Environmental expenses relating to the management of the environmental effects of the Group's operations, and to the prevention of pollution relating to its activities and/ or the treatment of waste and discharges, are charged to the combined special purpose income statement on an accrual basis, regardless of when the resulting monetary or financial flow arises.

By their very nature, the Company's business activities do not have significant environmental impact.

p) Segment reporting

The business segments broken down in these notes to the combined special purpose financial statements are included consistently, based on the internal information available by the Parent's Sole Director. The operating segments are the components of the Naturhouse Group which involve business activities in which revenue is generated and expenses incurred, including ordinary income and the costs arising from transactions with other components of the same group. In relation to the segments, financial information is regularly broken down, and the operating results are reviewed by the Parent's Sole Director, in order to decide the funds which should be assigned to the segments and to assess their profitability.

In the Group's combined special purpose financial statements, the Parent's Sole Director has considered the following segments: Spain, Italy, France, Poland and other countries (Note 21).

q) Combined special purpose statement of cash flows

The following terms are used in the combined special purpose statement of cash flows with the meanings specified:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the principal revenue-producing activities of the Group's businesses, and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the equity and borrowings not included in operating activities.

5. Exposure to risk

Financial risks

The Group's activities expose it to a variety of financial risks, including market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

1. Credit risk

As a general rule, the Group places cash and cash equivalents with financial institutions with high credit ratings. Likewise, it adequately monitors the accounts receivable on an individual basis to determine potential insolvency situations.

The Group's main financial assets are cash balances, trade and other receivables and investments, which represent the Group's maximum exposure to credit risk in respect of its financial assets.

The Group's credit risk resides mainly in its trade payables. Amounts are shown in the combined special purpose statement of financial position net of provisions for bad debts, estimated by the Group's senior executives on the basis of prior years' experience and of their assessment of the prevailing economic situation.

The Group's credit risk is not significantly concentrated, and exposure is spread over a large number of customers, markets and countries.

However, the Group's Financial Management considers this risk to be a key aspect in the daily management of its business, focusing all its efforts on the adequate control and supervision of the performance of accounts receivable and bad debts, especially in those sectors of activity with a high risk of insolvency.

The Group has established a customer acceptance policy based on a frequent assessment of the liquidity and solvency risks and the establishment of credit limits for its debtors. Also, the Group performs frequent analyses of the age of the debt with commercial customers to cover possible insolvency risks.

The average collection period ranges between 30 and 60 days per country. The significant balances with third parties which are more than 365 days past due have been provisioned in full.

2. Liquidity risk

In order to guarantee liquidity and meet all payment commitments arising from its activities, the Group has the available cash shown its statement of financial position, as well as the financing and credit lines described in Note 15.

In the current market climate which, in recent financial years has been marked mainly by a significant financial crisis which has led to a widespread shrinkage of credit, the Group has maintained a proactive policy with respect to liquidity risk management, centred mainly on preserving its liquidity.

In this regard, the Group manages its liquidity risk by maintaining sufficient cash and marketable securities, and by having available funding through an adequate amount of credit facilities and sufficient capacity to settle its market positions.

Furthermore, it has always endeavoured to use its available liquidity to manage its payment obligations and debt commitments in advance.

The Group mainly earmarks its cash surpluses to the current account held with the Sole Shareholder of its Parent, Kiluva, S.A. (see Note 18.1).

The future payment schedule for financial liabilities is included in Note 14.

3. Market risk relating to interest rates and exchange rates:

The Group's operating activities are mostly unaffected by fluctuations in market interest rates.

The Group exposes itself to interest rate risk mainly through long-term borrowings. Instruments issued at floating rates expose the Group to interest rate risk on cash flows. At 2012 and 2011 year-end, all of its borrowings bore variable interest.

However, the Group did not consider it necessary to cover these interest rate fluctuations, accordingly, it did not arrange any financial derivatives in 2012 and 2011.

With respect to the exchange rate risk, the Group does not operate on a significant basis abroad in countries with currencies other than the euro, accordingly, its exposure to exchange rate risk on foreign currency transactions is not material.

Capital management

The Group manages its capital to ensure that the Group companies are able to continue operating as profitable businesses. The Group's capital structure includes debt, which comprises the loans and credit facilities and cash and liquid assets as disclosed in Note 14, and also equity, which includes capital and reserves, as referred to in Note 12. In this connection, the Group is committed to maintaining leveraging levels consistent with the objectives of growth, solvency and return. The Parent's Management, responsible for the management of financial risks, reviews the capital structure periodically.

6. Intangible assets

The changes in 2012 and 2011 in intangible asset accounts and in the related accumulated amortization were as follows:

<i>Cost</i>	Thousands of euros				
	Leasehold assignment rights	Intellectual property	Computer software	Other intangible assets	Total
Balance at 31 December 2010	7	12	91	14	124
Changes in the scope of consolidation	-	38	6	7	51
Additions	-	9	32	4	45
Derecognitions	-	-	(22)	(1)	(23)
Exchange differences	-	(27)	(1)	-	(28)
Balance at 31 December 2011	7	32	106	24	169
Changes in the scope of consolidation	-	-	-	22	22
Additions	6	15	11	45	77
Derecognitions	-	-	(5)	(6)	(11)
Exchange differences	-	7	1	-	8
Balance at 31 December 2012	13	54	113	85	265

<i>Accumulated amortisation</i>	Euros				
	Leasehold assignment rights	Intellectual property	Computer software	Other intangible assets	Total
Balance at 31 December 2010	(1)	(5)	(25)	-	(31)
Provisions	(4)	(4)	(35)	(6)	(49)
Amounts used	-	-	1	-	1
Exchange differences	-	3	2	-	5
Balance at 31 December 2011	(5)	(6)	(57)	(6)	(74)
Provisions	(3)	(26)	(19)	(1)	(49)
Amounts used	-	5	1	-	6
Exchange differences	-	-	-	(3)	(3)
Balance at 31 December 2012	(8)	(27)	(75)	(10)	(120)

<i>Net carrying amount</i>	Thousands of euros	
	31/12/2012	31/12/2011
Leasehold assignment rights	5	2
Intellectual property	27	26
Computer software	38	49
Other intangible assets	75	18
Total intangible assets	145	95

7. Property, plant and equipment

The changes in 2012 and 2011 in the various property, plant and equipment accounts and in the related accumulated depreciation and impairment losses were as follows:

<i>Cost</i>	Thousands of euros						Total
	Land and natural resources	Buildings	Other fixtures, tools and furniture	Data processing equipment	Transport equipment	Construction in progress and advances	
Balance at 31 December 2010	750	511	7,516	466	390	4	9,637
Changes in the scope of consolidation	261	692	477	111	75	1	1,617
Additions	-	7	1,139	56	-	-	1,202
Derecognitions	-	-	(177)	(39)	(49)	-	(265)
Exchange differences	-	(10)	(39)	(1)	(2)	-	(52)
Transfers	-	(2)	2	-	-	-	-
Balance at 31 December 2011	1,011	1,198	8,918	593	414	5	12,139
Additions	-	28	937	310	18	2	1,295
Derecognitions	-	(17)	(828)	(77)	(65)	(3)	(990)
Exchange differences	-	(10)	16	-	1	-	7
Balance at 31 December 2012	1,011	1,199	9,043	826	368	4	12,451

<i>Accumulated depreciation</i>	Thousands of euros				
	Buildings	Other fixtures, tools and furniture	Data processing equipment	Transport equipment	Total
Balance at 31 December 2010	(47)	(1,069)	(328)	(90)	(1,534)
Provisions	(39)	(880)	(97)	(98)	(1,114)
Amounts used	-	27	39	18	84
Exchange differences	3	16	-	1	20
Balance at 31 December 2011	(83)	(1,906)	(386)	(169)	(2,544)
Provisions	(34)	(1,008)	(121)	(60)	(1,223)
Amounts used	9	346	58	57	470
Exchange differences	(6)	-	-	(1)	(7)
Balance at 31 December 2012	(114)	(2,568)	(449)	(173)	(3,304)

<i>Impairment</i>	Thousands of euros		
	Land and natural resources	Buildings	Total
Balance at 31 December 2010	(639)	(126)	(765)
Amounts used	4	1	5
Balance at 31 December 2011	(635)	(125)	(760)
Amounts used	11	2	13
Balance at 31 December 2012	(624)	(123)	(747)

<i>Net carrying amount</i>	Thousands of euros	
	31/12/2012	31/12/2011
Land and natural resources	387	376
Buildings	961	990
Other fixtures, tools and furniture	6,475	7,012
Data processing equipment	377	207
Transport equipment	195	245
Construction in progress and advances	4	5
Total property, plant and equipment	8,399	8,835

The additions and derecognitions in 2012 and 2011 basically relate to renovation and refurbishment work carried out at the Group's own stores and offices.

The changes in the scope in 2011 refer mainly to the inclusion of Kiluva Portuguesa - Nutricao e Dietetica, Ltd and Naturhouse Sp. zo.o.

At 31 December 2012 and 2011, photovoltaic plates and other fixed assets with a net carrying amount of €2,600 thousand and €2,703 thousand, respectively, were included under "Other fixtures, tools and furniture". These fixed assets are not used directly in the Group's activity. These assets are depreciated on a straight-line basis like any other of the Group's assets not directly related to its business.

At 31 December 2012 and 2011, items of property, plant and equipment with an original cost of €3,672 thousand, €3,682 thousand, respectively, were held under finance lease arrangements, and guarantee the bank debt assumed by these agreements (see Note 8).

It is Group policy to take out insurance policies to cover the potential risks which might affect its items of property, plant and equipment. At 31 December 2012 and 2011, the Parent's Sole Director considers that all these risks had been adequately covered.

The impairment recognized relates to the market value of certain assets, obtained via appraisals made by independent third parties.

8. Leases

Finance leases

The detail of the main assets under finance leases at 31 December 2012 and 2011 was as follows:

2012

Item	Duration of the agreement in months	Euros				
		Cost at source	Payments made (*)		Payments outstanding (*)	
			Prior years	Present year	Current instalments outstanding	Non-current instalments outstanding
Land and buildings	120-144	1,633	1,004	135	132	362
Plant	84	1,596	937	222	244	193
Transport equipment	36-48	113	60	38	11	4
Total		3,342	2,001	395	387	559

2011

Item	Duration of the agreement in months	Euros				
		Cost at source	Payments made (*)		Payments outstanding (*)	
			Prior years	Present year	Current instalments outstanding	Non-current instalments outstanding
Land and buildings	120-144	1,633	853	151	135	494
Plant	84	1,596	705	232	221	438
Transport equipment	36-48	123	27	35	38	23
Total		3,352	1,585	418	394	955

(*) Lease payments made and outstanding only include the part of the payment related to the cost of the asset and not the related interest.

The net carrying amount of the assets associated with finance lease agreements at 2012 and 2011 year-end is as follows:

	Thousands of euros	
	31/12/2012	31/12/2011
Land and buildings	623	631
Plant	1,571	1,635
Transport equipment	63	83
Total	2,257	2,349

At 31 December 2012 and 2011, according to the agreements in force, Naturhouse Health, S.A.U. had leases with the following minimum lease payments including purchase options, excluding the effect of shared expenses, future increases in line with the CPI or contractually agreed rent increases:

Minimum lease payments	Thousands of euros	
	31/12/2012	31/12/2011
Within one year	387	395
Between one and five years	559	924
More than five years	-	30
Total	946	1,349

At 2012 year-end, the finance leases related mainly to two Group premises in Tenerife (Spain) and in Lisbon (Portugal), and to the related photovoltaic panels located in the provinces of Barcelona, Guadalajara and Las Palmas (Spain).

Operating leases

At 31 December 2012 and 2011, according to the agreements in force, Naturhouse Health, S.A.U. had leases with the following minimum lease payments, excluding the effect of shared expenses, future increases in line with the CPI or contractually agreed rent increases (in thousands of euros):

Minimum lease payments	Thousands of euros	
	31/12/2012	31/12/2011
Within one year	3,024	3,204
Between one and five years	4,450	5,743
More than five years	521	1,067
Total	7,995	10,014

The operating leases relate mainly to the rental of offices, warehouses and stores. The group companies has various leases with a company related to its Sole Shareholder, Tartales, S.L.U., as described in Note 18.2.

The cost of these leases is recognized under "Other operating expenses" in the accompanying combined special purpose income statement, amounting to €3,870 thousand in 2012 and €4,061 thousand in 2011.

9. Financial assets

9.1. Non-current financial assets

The changes in the various non-current asset accounts in 2012 and 2011 were as follows:

	Thousands of euros	
	31/12/2012	31/12/2011
Equity instruments:		
- Available for sale assets	4,657	10,426
- Other equity instruments	-	100
Other financial assets:		
- Long-term deposits and guarantees given	553	556
Total	5,210	11,082

Fair value of financial instruments: Valuation techniques and assumptions used to measure fair value

Financial instruments are grouped into three levels in accordance with the extent to which their fair value is observable.

- Level 1: measurements derived from (unadjusted) quoted prices in active markets for identical assets or liabilities.
- Level 2: measurements derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices).
- Level 3: measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (non-observable inputs).

The amount recognized under this heading in the accompanying combined special purpose balance sheet relates mainly to the equity instruments portfolio, Level 1 financial instruments, in equity portfolios which are officially quoted and measured at fair value, and the guarantees deposited by the leases of various points of sale held by the group companies.

Available-for-sale assets

The changes in this heading at 2012 and 2011 year-end are as follows:

2012

	Thousands of euros			
	31/12/2011	Increases	Derecognitions	31/12/2012
Available-for-sale assets	33,957	811	(348)	34,420
Portfolio impairment	(23,531)	(6,232)	-	(29,763)
Total	10,426	(5,421)	(348)	4,657

In 2012, Naturhouse Health received revenue from equity investments amounting to € 777 thousand (see Note 17.4). Derecognitions in 2012 related to sales made to third parties.

2011

	Thousands of euros				
	31/12/2010	Additions due to changes in the scope (Note 3.c)	Increases	Derecognitions	31/12/2011
Available-for-sale assets	59,912	4,182	1,153	(31,290)	33,957
Portfolio impairment	(41,567)	(2,166)	(2,169)	22,371	(23,531)
Total	18,345	2,016	(1,016)	(8,919)	10,426

In 2011, Naturhouse Health received revenues amounting to €425 thousand from equity investments (see Note 17.4). Derecognitions in 2011 relate to sales made to third parties, except sales with a cost of € 30,450 thousand made to the Sole Shareholder at market value.

Certain titles to securities recognized under this heading are pledged to the credit facilities described in Note 15 which, in turn, are guaranteed by Kiluva, S.A.

Portfolio impairment

Gains or losses arising from changes in fair value of these available-for-sale investments are recognised directly in the Group's equity until the investment is disposed of or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the period.

A fall in the asset's quoted price of more than 40% over a period of a year and a half without recovering, irrespective of an impairment loss recognised before meeting these thresholds, is considered evidence of impairment.

The quoted prices of these assets have fallen by nearly 40% or more over the past four years. Accordingly, the Group has recognised the impairment losses previously recognised in equity in profit and loss for the year.

The difference between the portfolio impairment recognised and the valuation adjustments recognised in the statement of comprehensive income relates to gains or losses obtained on the sale of the shares.

Certain titles to securities recognised under this heading are pledged to the credit facilities described in Note 14 which, in turn, are guaranteed by the Parent's Sole Shareholder.

9.2. Investments in related companies

The balance of the "Investments in related companies" heading in the accompanying combined special purpose balance sheet amounted to €35,173 thousand and €30,266 thousand in 2012 and 2011, respectively, and relates to the centralized cash management system for collections and payments held by the Parent with Kiluva, S.A. (see Note 18.1). Under the agreed terms, this current account did not earn interest at market rates. Therefore, the Group recognised at market interest as finance income under "Other Distributions to the Sole Shareholder" (see Note 12.d).

The Naturhouse Health's Sole Director considers that these balances are recoverable and will be realized in the periods agreed upon on basis of the business plans of the companies; accordingly, no impairment was recognized thereon.

9.3. Current financial assets

The changes in "Current financial assets" in 2012 and 2011 were as follows:

	Thousands of euros	
	31/12/2012	31/12/2011
Bank deposits	945	527
Other current financial assets	398	398
Total	1,343	925

The amount recognized under "Bank deposits" relates mainly to deposits arranged with financial institutions maturing at under one year (but over three months), which earn interest at market rates.

The carrying amount of the financial assets does not differ significantly from their fair value.

10. Inventories

The detail of inventories at 31 December 2012 and 2011 was as follows:

	Thousands of euros	
	31/12/2012	31/12/2011
Merchandise	3,684	3,135

Changes in impairment allowances under "Inventories" were as follows:

	Thousands of euros			
	01/01/2011	Reversal	31/12/2011	31/12/2012
Impairment of inventories	62	(62)	-	-

Impairment allowances recognized related mainly to the obsolescence of certain products stored by the Group. The criteria followed by the group companies to calculate the need to recognize such allowances is detailed in Note 4.f.

11. Cash and cash equivalents

Most of the balances in the accompanying combined special purpose balance sheet at 31 December 2012 and 2011 relate to the amount deposited in current accounts and financial deposits of less than three months which, as of those dates, were held by the group companies with financial institutions, mainly denominated in euros, unrestricted and remunerated at market rates, containing insignificant cash sums.

12. Equity

a) Share capital and share premium

The share capital and share premium of Naturhouse Health and Subsidiaries combined special purpose financial statements were as follows (in thousands of euros):

	Naturhouse Health Subgroup		S.A.S Naturhouse Subgroup		Kiluva Diet, S.L.U.		Total Combined	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Share capital	300	300	100	100	300	300	700	700
Share premium	-	-	-	-	2,365	2,365	2,365	2,365
Total	300	300	100	100	2,665	2,665	3,065	3,065

Naturhouse Health Subgroup

At 31 December 2012 and 2011, the share capital comprised 800 registered shares with a par value of €375 each, which were fully subscribed and paid. Likewise, at 2012 and 2011 year-end, Kiluva, S.A. owned all the shares. The Subgroup has contracts and performs transactions with its Sole Shareholder as detailed in Note 18, and complied with all the reporting requirements with respect to its sole-shareholder status.

S.A.S. Naturhouse Subgroup

At 31 December 2012 and 2011, the share capital comprised 100 registered shares with a par value of €100 each, which were fully subscribed and paid. Likewise, at 2012 and 2011 year-end, Kiluva, S.A. owned all the shares. The Subgroup has contracts and performs transactions with its Sole Shareholder as detailed in Note 18, and complied with all the reporting requirements with respect to its sole-shareholder status.

Kiluva Diet, S.L.U.

At 31 December 2012 and 2011, the share capital comprised 1.000 registered shares with a par value of €300 each, which were fully subscribed and paid. Likewise, at 2012 and 2011 year-end, Kiluva, S.A. owned all the shares. The Company has contracts and performs transactions with its Sole Shareholder as detailed in Note 18, and complied with all the reporting requirements with respect to its sole-shareholder status.

b) Equity attributable to non-controlling interests

The detail of the non-controlling interests of Naturhouse Health fully consolidated companies in which ownership is shared with third parties was as follows:

	Thousands of euros	
	31/12/2012	31/12/2011
Zamodiet México, S.A de C.V.	273	288
Total	273	288

c) Exchange differences

The breakdown of "Translation differences" in the combined special purpose balance sheet at 31 December 2012 and 2011 is as follows:

	Thousands of euros	
	31/12/2012	31/12/2011
Naturhouse Franchising Co, Ltd	6	1
Naturhouse, Sp. zo.o.	94	-
Zamodiet México, S.A de C.V.	17	5
Total	117	6

d) Other distributions to the Sole Shareholder

The amounts recognised under "Other distributions to the Sole Shareholder" relate to the recognition of certain transactions with the Sole Shareholder which had been recognised in the separate financial statements at prices other than market prices, since it belonged to the same tax consolidation group. Consequently, these transactions were re-assessed in the combined income statement, recognising them at market prices, also considering their tax effect, and considering the "Other distributions to the Sole Shareholder" account to be a balancing entry. The most relevant transaction re-assessed relates to the accrued interest of the Sole Shareholder's account receivable for centralised cash management (see Note 9.2).

13. Provisions and contingencies

a) Non-current provisions

The balance of other non-current provisions relates to a commitment held by the Group with certain employees of Naturhouse S.R.L. This TFR ("*Trattamento di fine rapporto*") end-of-contract indemnity obligation may be settled on the date of termination of the employment relationship, regardless of whether the termination is voluntary or otherwise. From 1 January 2007 onwards, following the regulatory change in Italy, the reserve set up for the TFR until 31 December 2006 remains at the Company, and is re-assessed with the parameters of Law 297/82, and the subsequent withholding of each employee is paid to the INPS (Italian Social Security entity). This commitment has not been externalised. The cost is recognised under "Staff costs" in the combined income statement and amounted to €203 thousand and €227 thousand in 2012 and 2011, respectively.

b) Contingencies

At 2012 year-end, the Group disputed a trade payable amounting to €2.4 million with related party Zamodiet, S.A. The liability is recognised in under "Suppliers, related parties". The Parent's Sole Director, together with its legal advisers, considers that the resolution of this lawsuit will not have an impact on the Naturhouse Health's equity, since this debt is guaranteed by the Parent's Sole Shareholder. The Group is involved in other ongoing lawsuits of lesser importance, the maximum amount of which in no case would be material.

Therefore, the Parent's Sole Shareholder does not consider that any significant liabilities will arise as a result of the events described in the previous paragraphs.

14. Financial borrowings

The detail of the bank current and non-current borrowings in the accompanying combined special purpose balance sheets at 31 December 2012 and 2011 was as follows:

2012

	Thousands of euros			
	Initial Amount or Limit	Maturity		Total
		Current	Non- current	
Bank borrowings:				
Loans	34,800	18,544	4,159	22,703
Finance leases (Note 8)	3,341	387	559	946
Credit facilities	14,225	9,373	-	9,373
Discounted bills	3,700	286	-	286
Interest	-	80	-	80
Bank borrowings, subtotal	56,066	28,670	4,718	33,388
Other financial liabilities	-	17	1,502	1,519
TOTAL	56,066	28,687	6,220	34,907

2011

	Thousands of euros			
	Initial Amount or Limit	Maturity		Total
		Current	Non- Current	
Bank borrowings:				
Loans	31,526	5,047	5,558	10,605
Finance leases (Note 8)	3,341	394	955	1,349
Credit facilities	16,025	14,888	3,890	18,778
Discounted bills	5,488	459	-	459
Interest	-	210	-	210
Bank borrowings, subtotal	56,380	20,998	10,403	31,401
Other financial liabilities	-	3	877	880
TOTAL	56,380	21,001	11,280	32,281

Loans

The Group has been granted various loans by different credit institutions, in which both the Sole Shareholder (Kiluva, S.A.) and its related companies, Finverki, S.L.U., Tartales, S.L.U. act as guarantors. No additional guarantees were granted with respect to these loans.

The detail, by maturity, of the loans (at their nominal value), is as follows:

Maturities	Thousands of euros	
	31/12/2012	31/12/2011
2012	-	5,047
2013	18,544	3,153
2014	3,557	2,405
2015	602	-
Total	22,703	10,605

Certain loans indicated above include certain maturity clauses and an early repayment obligation. At 2012 year-end, certain clauses were breached by one of the loan guarantors, accordingly, the accompanying combined special purpose balance sheets included the debt associated therewith maturing at long term within current liabilities, amounting to €10,078 thousand.

The reason for the breach of covenants in 2012 was failure by the guarantors to have positive equity at the end of the year. One company had negative equity at 31 December 2012.

The lender banks did not exercise the maturity and mandatory early repayment clause and in 2013 and 2014 the equity of these companies was restored. No breaches of covenants are expected in the coming financial period.

Credit facilities

At 2012 year-end, the aforementioned facilities were secured by the financial investments described in Note 9.1, and the Parent's Sole Shareholder, Kiluva, S.A. acted as guarantor. Likewise certain investments of the Sole Shareholder and of its related party Finverki, S.L.U., were pledged to guarantee the aforementioned credit facilities.

The credit facilities signed by the Group may be tacitly renewed each year, except in the event of a claim filed by either party in the advance notice period agreed upon. Accordingly, they were recognised under current liabilities.

Average interest on loans and credit facilities

The average interest on loans and credit facilities in 2012 and 2011 was 4.88% and 3.78%, respectively.

The carrying amount of the Group financial debt does not differ significantly from its fair value.

Other financial liabilities

"Other non-current financial liabilities" include the amounts extended as deposits by franchisees of S.A.S. Naturhouse (France) to ensure compliance with its contractual obligations. The rest of the Group companies extend guarantees for this purpose. As it is difficult to establish the moment the deposits received from the franchisees will be returned, they are measured by the Group at their nominal amount. The present value of these liabilities does not differ significantly from the nominal value.

15. Trade and other payables

The breakdown of this current liability heading in the accompanying combined special purpose balance sheet at 31 December 2012 and 2011 is as follows:

	Thousands of euros	
	31/12/2012	31/12/2011
Suppliers	2,302	2,028
Other payables	1,124	1,158
Personnel (salaries payable)	1,160	1,072
Customer advances	203	-
Current prepayments and accrued income	270	220
Total	5,059	4,478

The carrying amount of trade and other payables does not differ significantly from their fair value.

Salaries payable relates mainly to the accrual of summer pay and to variable remuneration of certain Group employees.

16. Tax matters

16.1 Current tax receivables and payables

The detail of current tax receivables and payables at 31 December 2012 and 2011 was as follows:

Balances receivable

	Thousands of euros	
	31/12/2012	31/12/2011
VAT receivable	273	165
Sundry tax receivables	21	2
Income tax receivable	657	29
Total other receivables from public authorities	951	196

Balances payable

	Thousands of euros	
	31/12/2012	31/12/2011
VAT payable	262	180
Personal income tax payable	601	560
Social security taxes payable	687	632
Corporate income tax payable	904	1,198
Other tax payables	36	10
Total other payables to public authorities	2,490	2,580

16.2 Reconciliation of accounting profit to the corporate income tax expense

The reconciliation of the accounting loss to the income tax benefit in 2012 and 2011 was as follows:

	Thousands of euros	
	2012	2011
Accounting profit before tax	12,243	16,787
Permanent differences	248	178
Unapplied tax-loss carryforwards	759	-
Additions (eliminations) on consolidation	145	1,067
Adjusted profit	13,395	18,032
<i>Tax rate</i>	<i>30%</i>	<i>30%</i>
Income after applying tax rate	4,019	5,410
Tax rate differences	661	(14)
Other adjustments	480	440
Total income tax expense	5,160	5,836

16.3 Deferred tax assets recognized

The detail of "Deferred tax assets" at the end of 2012 and 2011 was as follows:

	Thousands of euros	
	31/12/2012	31/12/2011
Temporary differences (deferred tax assets):		
Impairment of financial assets	610	347
Impairment of property, plant and equipment	250	258
Tax effect of consolidation adjustments	249	93
Depreciation and amortisation for accounting purposes exceeding the tax limit	9	3
Others	9	4
Total deferred tax assets	1,127	705

The deferred tax assets indicated above were recognised because the Sole Director considers that, based on their best estimate of the Naturhouse Health and Subsidiaries future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

16.4 Deferred tax assets not recognized

Certain deferred tax assets were not recognized in the accompanying combined special purpose balance sheet, since it is considered that their future offset did not comply with the probability requirements envisaged in the accounting regulations.

The detail of these unrecognized deferred tax assets is as follows:

	31/12/2012		31/12/2011		Maturity
	Base	Tax payable	Base	Tax payable	
Tax credits generated in 2011	-	85	-	85	2029
Tax credits generated in 2012	-	128	-	-	2030
2011 tax loss carryforwards	447	134	447	134	2029
2012 tax loss carryforwards	2,417	725	-	-	2030
Total deferred tax assets not recognized		1,072		219	

16.5 Deferred tax liabilities

At 31 December 2012 and 2011, the breakdown of this heading was as follows:

	Thousands of euros	
	31/12/2012	31/12/2011
Temporary differences (deferred taxes):		
Finance lease	329	251
Total deferred tax liabilities	329	251

16.6 Years open for review and tax audits

Provisional tax returns are filed and prepayments are made on a regular basis, based on the transactions contained in the accounting records, but they are not considered to be definitive until the tax authorities have inspected them or the statute-of-limitations period has expired which, in Spain, is five years for Corporate Income Tax and four years for the remaining taxes applicable to Naturhouse Health. No additional material liabilities for Naturhouse Health are expected to arise in the event of an inspection of the remaining years.

The Naturhouse Health's Sole Director considers that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying combined special purpose financial statements.

17. Revenue and expenses

17.1 Revenue

The breakdown of the "Revenue" in the years 2012 and 2011 is as follows:

	Thousands of euros	
	2012	2011
Sales	83,966	89,487
Services provided	1,646	1,369
Total	85,612	90,856

17.2. Procurements

The detail of "Cost of merchandise sold" in 2012 and 2011 is as follows:

	Thousands of euros	
	2012	2011
Cost of merchandise sold:		
Purchases	29,478	31,323
Changes in inventories	(550)	74
Impairment of merchandise	-	(62)
Total	28,928	31,335

17.3 Staff costs

The detail of "Staff costs" in the accompanying combined special purpose income statements was as follows:

	Thousands of euros	
	2012	2011
Wages, salaries and similar expenses	13,619	14,885
Social security costs	4,250	4,499
Termination benefits	740	432
Total	18,609	19,816

17.4 Finance income and expenses

The detail of the net financial expense in 2012 and 2011 was as follows:

	Thousands of euros	
	2012	2011
	2,331	1,928
Finance income		
From equity investments		
In third parties	777	425
From marketable securities and other financial instruments		
In related companies (Note 18.2)	1,342	1,399
In third parties	212	104
	(1,577)	(1,433)
Finance costs		
Third-party borrowings	(1,577)	(1,433)
	(1)	(1)
Exchange gains		
	(6,227)	(2,632)
Impairment and gains (losses) on the disposal of financial instruments		
	(5,474)	(2,138)
Financial profit/(loss)		

In 2012 and 2011, Naturhouse Health and Subsidiaries received income from equity investments amounting to €691 thousand and €333 thousand, respectively, recognized under "Finance income from investments in equity instruments in third parties" in the accompanying combined special purpose balance sheet.

"Impairment and gains (losses) on the disposal of financial instruments" includes the impairment recognized by the Group in relation to losses in value of financial investments, so that the measurement thereof does not differ from their fair value at the end of each of the years and, to the gains and/or losses obtained from the sale of such instruments.

17.5 Other operating expenses

The detail of "Other operating expenses" in 2012 and 2011 is as follows:

	Thousands of euros	
	2012	2011
Leases	3,870	4,228
Repairs	284	224
Transport expenses	2,283	2,089
Utilities	814	928
Advertising	4,567	5,116
Services received from Kiluva, S.A. (management fees)	3,701	2,797
Other external services	4,625	5,098
Total	20,144	20,480

18. Related-party transactions and balances

The transactions between the Parents and its investees were eliminated on consolidation and are not disclosed in this Note.

The transactions between Group companies and its associates and related companies are disclosed below.

18.1 Balances with related companies

The detail of trade receivables and trade payables to associates and related parties at 31 December 2012 and 2011 were as follows:

Company	Thousands of euros			
	Balances receivable		Balances payable	
	2012	2011	2012	2011
<i>Current financial balances</i>				
Kiluva, S.A	35,173	30,266	146	1,072
Related individuals	-	-	1,309	1,579
Total current financial balances	35,173	30,266	1,455	2,651
<i>Current trade balances</i>				
Gartabo, S.A	5	6	1	-
Girofibra, S.L	-	-	128	149
Ichem, Sp. zo.o.	-	-	2,280	1,222
Indusen, S.A	-	-	286	532
Kiluva, S.A	-	1,488	863	105
Laboratorios Abad, S.L.U	-	-	21	-
Laboratorios Oxyjeune, S.L.U	-	-	-	29
Luair, S.L.U	-	-	-	-
Zamodiet, S.A	-	18	4,482	2,442
Total current trade balances	5	1,512	8,061	4,479
TOTAL	35,178	31,778	9,516	7,130

The current financial payables amounting to €1,309 thousand and €1,579 thousand at 2012 and 2011 year-end, respectively, relate to the deferred payment in the acquisition in 2011 of the investments Kiluva Portuguesa – Nutrição e Dietética, LDA., as detailed in Note 3.c. The aforementioned debt did not bear financial interest, however, its impact was not considered to be significant.

Also, the Group had an account receivable relating to the centralized cash management with its Sole Shareholder Kiluva, S.A., at 2012 and 2011 year-end.

18.2 Transactions with related companies

In 2012 and 2011 Naturhouse Health and Subsidiaries performed the following transactions with associates and related parties that did not form part of the Subgroups:

Company	Thousands of euros	
	2012	2011
<i>Sales</i>		
Gartabo, S.A.	182	190
Zamodiet, S.A.	-	8
<i>Services rendered</i>		
Gartabo, S.A.	2	4
Ichem, Sp. zo.o	-	132
Zamodiet, S.A.	-	1
Total operating income	184	335

Company	Thousands of euros	
	2012	2011
<i>Purchases</i>		
Girofibra, S.L.	811	1,025
Ichem, Sp. zo.o	9,938	7,525
Indusen, S.A.	1,836	2,459
Laboratorios Abad, S.L.U.	104	88
Laboratorios Oxyjeune, S.L.U.	141	356
Zamodiet, S.A.	8,284	10,566
<i>Services received</i>		
Kiluva, S.A.	3,701	2,797
Luair, S.L.U. (directly and indirectly)	146	160
U.D. Logroñés, SAD	206	206
Related individuals	280	41
<i>Leases</i>		
Tartales, S.L.U.	1,425	1,668
Total operating expenses	26,872	26,891
<i>Finance income</i>		
Kiluva, S.A.	1,342	1,399
Total finance revenue	1,342	1,399

The services received from the Sole Shareholder relate to various contractual agreements relating to advisory services, and strategic, operating and financial support, as well as licenses to use certain brands.

18.3 Remuneration and obligations to the Sole Director and senior executives

In 2012 the Sole Director of Naturhouse Health did not earn any remuneration (€240 thousand in 2011). Also, the Sole Director had not been granted any advances or loans by the Group, except that indicated in Note 18.1, nor was it granted any guarantees or pension or life insurance commitments.

In 2012 the remuneration paid to senior executives of Naturhouse Health amounted to € 1,945 thousand euros (€ 1,555 thousand euros in 2011).

No advances or loans had been granted to senior executives at 2012 and 2011 year-end, nor had it been granted any pension or life insurance commitments

At 2012 and 2011 year-end, the breakdown of senior management was as follows:

Category	2012		2011	
	Men	Women	Men	Women
Senior executives	9	1	6	1

18.4 Information regarding conflicts of interest involving the Sole Director

At 31 December 2012, neither the Parent's Sole Director nor any individuals related thereto as defined in the Spanish Corporate Enterprises Act held any ownership interests in companies with the same, similar or analogous corporate purpose as that of the Group, except those indicated in Appendix II. Where applicable, this table also shows the positions held and duties performed in these companies.

19. Environmental information

In view of the business activities carried on by Naturhouse Health, it does not have any environmental responsibilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and results. Accordingly, no specific disclosures were made in these notes to the combined special purpose financial statements.

20. Other disclosures

20.1 Personnel

The average number of people employed in 2012 and 2011, by category, is as follows:

Category	Number of employees	
	2012	2011
Senior management	6	7
Other executive employees	28	30
Administrative staff and technicians	65	82
Salespersons, sellers and operators	426	469
Total	525	588

The breakdown, by category and gender, at 31 December 2012 and 2011 is as follows:

Category	2012		2011	
	Men	Women	Men	Women
Senior management	8	1	6	1
Other executive employees	21	9	22	6
Administrative staff and technicians	37	43	44	37
Salespersons, sellers and operators	57	354	54	399
Total	123	407	126	443

20.1 Auditors' fees

In 2012 and 2011, the fees for financial audit and other services provided by BDO Auditores, S.L. and by other auditors of certain investees (in thousands of euros) were as follows:

Description	2012	2011
Audit services	76	68
Total audit and related services	76	68
Tax advisory services	27	38
Total professional services	103	106

21. Segment reporting

The accompanying combined special purpose financial statements, in line with IFRS 8, which establishes the obligation to apply and disclose segment reporting for those companies which equity or debt securities are quoted on public markets, or for companies which are in the process of issuing securities for quotation on public securities market, presented such information in four segments.

Basis of segmentation

For management purposes, the Group is currently formed by the following operating segments which comprise the following geographical areas:

- Spain
- France
- Italy
- Poland
- Other countries

The main activities performed are indicated in Note 1 to these combined special purpose financial statements. The Group does not perform different activities for significant amounts which involve the identification of additional operating segments.

Naturhouse Health's Sole Director identified these segments in line with the following criteria:

- That it engages in business activities from which it may earn revenues and incur expenses (including ordinary revenues and expenses relating to transactions with other components of the same entity)
- Whose operating results are reviewed regularly by the entity's chief operating and management decision maker to make decisions about resources to be allocated to the segment and to assess its performance.
- Diverse financial information is available.

Basis and methodology for segment reporting

The segment information below is based on monthly reports prepared by Group management, generated using the same computer application that prepares all of the Group's accounting data.

Segment revenue relates to the revenue that is directly attributable to a segment plus the relevant proportion of the Group's enterprise revenue that can be allocated to the segment on a reasonable basis.

Segment expenses are determined on the basis of the operating activities of a segment that are directly attributable to the segment plus the relevant proportion of the expenses that can be allocated on a reasonable basis to the segment.

The segment result is shown before any income tax deductions and any adjustments relating to non-controlling interests.

The "Eliminations on consolidation" column in the combined special purpose income statement includes basically the eliminations of sales and purchases between segments, the dividends received by the Parent and the costs passed on by the Parent and other consolidation adjustments. This column in the combined special purpose balance sheet includes basically the elimination of financial investments, accounts receivable and accounts payable between Group companies:

The financial information by segment of the accompanying combined special purpose income statement is as follows (in thousands of euros):

	Thousands of euros														
	Segments													Total	
	Spain			France		Italy		Poland		Other countries		Other and eliminat.			
	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012		2011
Sales to external customers	26,278	40,465	16,272	25,075	16,272	24,897	26,473	5,773	3,423	3,589	4,223	-	-	85,612	90,856
Inter-segment sales	3,439	3,077	-	235	-	-	20	-	6	-	-	(3,674)	(3,103)	-	-
Other operating income	103	173	-	13	-	709	662	104	36	325	180	(204)	(324)	1,050	727
Total revenue	29,820	43,715	16,272	25,323	16,272	25,606	27,155	5,877	3,465	3,914	4,403	(3,878)	(3,427)	86,662	91,583
Procurements	(10,292)	(16,396)	(5,449)	(8,152)	(5,449)	(8,216)	(8,934)	(2,291)	(1,146)	(1,419)	(1,508)	1,442	2,098	(28,928)	(31,335)
Payables to employees	(7,098)	(9,715)	(2,672)	(4,105)	(2,672)	(5,563)	(5,983)	(906)	(631)	(937)	(815)	-	-	(18,609)	(19,816)
Depreciation and amortisation	(570)	(626)	(79)	(126)	(79)	(420)	(319)	(81)	(94)	(135)	(119)	60	74	(1,272)	(1,163)
Other operating expenses	(7,608)	(10,942)	(3,630)	(5,568)	(3,630)	(6,596)	(5,299)	(1,375)	(1,039)	(1,133)	(900)	2,136	1,330	(20,144)	(20,480)
Impairment losses and gains (losses) on disposal of assets	(81)	(38)	186	(185)	186	255	-	19	-	-	(11)	-	-	8	137
Profit from operations	4,171	5,998	4,628	7,187	4,628	5,066	6,620	1,243	555	290	1,050	(240)	75	17,717	18,926
Finance income	-	-	-	-	-	-	-	-	-	-	-	2,331	1,928	2,331	1,928
Finance costs	-	-	-	-	-	-	-	-	-	-	-	(7,805)	(4,066)	(7,805)	(4,066)
Financial profit/(loss)	-	-	-	-	-	-	-	-	-	-	-	(5,474)	(2,138)	(5,474)	(2,138)
Profit before taxes	4,171	5,998	4,628	7,187	4,628	5,066	6,620	1,243	555	290	1,050	(5,714)	(2,063)	12,243	16,788

"Other and eliminations" includes eliminations on consolidation, and finance income and costs considered as corporate income and costs not allocable to any specific segment. There was no inter-segment sharing of general income and expenses.

Details, by segment, of certain items in the combined special purpose balance sheet at 31 December 2012 and 31 December 2011 are as follows:

2012

	Thousands of euros						
	Segments						Total
	Spain	France	Italy	Poland	Other countries	Other and eliminat.	
	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	
ASSETS							
Other intangible assets	11	13	68	-	53	-	145
Property, plant and equipment	5,072	890	1,004	72	1,361	-	8,399
Total assets	11,878	13,893	5,558	1,401	4,290	32,124	69,144
Total liabilities	7,258	8,145	5,187	621	1,258	30,433	52,902

2011

	Thousands of euros						
	Segments						Total
	Spain	France	Italy	Poland	Other countries	Other and eliminat.	
	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	
ASSETS							
Other intangible assets	17	9	43	-	26	-	95
Property, plant and equipment	5,518	755	1,111	50	1,401	-	8,835
Total assets	16,892	7,728	5,174	1,308	4,823	30,142	66,067
Total liabilities	11,804	4,031	4,403	365	864	25,830	47,297

Assets and liabilities included in the "Other" column include basically investment and financing items, which are not specifically assigned by segment and are managed globally.

Other segment information

None of the Naturhouse Health's customers represented more than 10% of revenue from ordinary activities.

Intangible asset and property, plant and equipment additions, by segment, were as follows:

	In thousands of euros					
	Spain	France	Italy	Poland	Other	Total
2011 additions	304	129	683	24	107	1,247
2012 additions	381	329	446	46	170	1,372

22. Events after the end of the reporting period

The most significant events occurred after the reporting period are detailed below:

- On 29 July 2013, an agreement was reached to merge the Parent, Naturhouse Health, S.A.U., with Kiluva Diet, S.L.U., through the absorption of the latter by the former, with the dissolution without liquidation of the absorbed company and the full transfer *en bloc* by way of universal succession of all the assets, rights and obligations comprising its equity to the absorbing company.
- On 19 February 2014, through the Parent, Naturhouse Health, S.A.U., the Group acquired from its Sole Shareholder, Kiluva, S.A., 99 shares amounting to €2,275 thousand, of a total of 398 equity investments in Ichem, Sp. zo.o, thereby becoming the owner of and 24.9% interest in this company.
- On 05 June 2014, the Parent, Naturhouse Health, S.A.U., performed a rights issue through a non-monetary contribution for all the shares of S.A.S. Naturhouse. The Company which made this contribution was Kiluva, S.A., the Parent's Sole Shareholder, and non-monetary items were contributed for all the shares of SAS Naturhouse (France).. The value of the rights issue, 99,750 euros, through payment of 250 euros in cash, corresponding to the cost of acquisition of the stake Kiluva, SA held in French society in their individual SAS Naturhouse at December 31, 2013 balance. However, accounting purposes, such kind contribution will be valued in the consolidated financial statements of Health Naturhouse the book value of the assets contributed by Kiluva, SA in the consolidated financial statements of Kiluva, SA on the date on which the operation was performed.
- On 16 June 2014, the Group sold the shares it held in two companies, Twinat, S.R.L. and Twinat Sp. zo.o. to its Sole Shareholder for the same amount at which they were recognised (€103 thousand).
- On 17 June 2014, the Parent increased capital by €2,525 thousand, with a charge to voluntary reserves through the issue of new shares, which stood at a total of €3 million divided into 60 million shares of €0.05 par value each. It also changed its company name and was changed into a public limited company.
- On 20 June 2014, the Parent acquired brands, to use in its ordinary activity, from its Sole Shareholder amounting to €2,331 thousand. For valuing the transaction at fair value the Group obtained a report from an independent expert, J. Isern Patent Ltd., to date June 17, 2014 which has been used as the valuation methodology discount future for 10 years (estimated useful life of brands date) a royalty ranging between 4% and 6.5%, depending on the brand and product, using a discount rate of 6.65%. Brands therefore be amortized linearly over a useful life of 10 years. This purchase was made, together with the related VAT, by offsetting the credit balance of the financial account held with the Sole Shareholder at that date.
- On 30 June 2014, the Parent sold assets not included in the Group's operations recognised under "Other fixtures, tools and furniture" to a related Company for €1,036 thousand. The price of the sale was the same as the carrying amount at which the Group held the assets. Therefore, the sale had no impact on the Group's combined profit and loss.

- On 1 September 2014, the Parent sold a commercial premise it owned recognised under "Land and natural resources" and "Buildings" to a related Company for €310 thousand. The price of the sale was the same as the carrying amount at which the Group held the asset. Therefore, the sale had no impact on the Group's combined profit and loss.

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APPENDIX I: Fully consolidated companies of Naturhouse Health

2012

Company	
Naturhouse Health S.A.U. Calle Botánica 57-61 Hospitalet de Llobregat, Barcelona (Spain)	Sale of nutrition products Medicinal herbs and natural cosmetics
Housediet S.A.R.L. 75 rue Faubourg Bonnefoy 31500 Toulouse (France)	Sale of nutrition products Medicinal herbs and natural cosmetics
Kiluva Portuguesa –Nutrição e Dietetica, Lda Avenida Dr. Luis SA, 9 9ª Parque Ind Montserrat Fração "M" Abruheira 2710 Sintra (Portugal)	Preparation and sale of nutrition products
Naturhouse Franchising Co, Ltd 33 church road, Ashford Middlesex (Great Britain)	Sale of nutrition products Medicinal herbs and natural cosmetics
Naturhouse, GmbH Rathausplatz, 5 91052 Erlangen (Germany)	Sale of nutrition products Medicinal herbs and natural cosmetics
Naturhouse, Sp. z o.o. Ul/Dostawcza, 12 93-231 Łódź (Poland)	Sale of nutrition products Medicinal herbs and natural cosmetics
Naturhouse S.R.L. Viale Panzacchi, n° 19 Bologna (Italy)	Sale of nutrition products Medicinal herbs and natural cosmetics
Zamodiet México S.A. de C.V. Boulevard Interlomas, n° 5 L4 Lomas Anahuac (Mexico)	Sale of nutrition products
S.A.S. Naturhouse Rue Phillippe Lebon, 12 Zone de Jarlard, Albi (France)	Sale of nutrition products Medicinal herbs and natural cosmetics
Naturhouse Belgium SPRL Place Fernand Coq, 2 1050 Ixelles (Belgium)	Sale of nutrition products Medicinal herbs and natural cosmetics
Kiluva Diet, S.L.U. Avenida Lyon, n° 6, Azuqueca de Henares (España)	Sale of nutrition products Medicinal herbs and natural cosmetics

Company	
Naturhouse Health S.A.U. Calle Botánica 57-61 Hospitalet de Llobregat, Barcelona (Spain)	Sale of nutrition products Medicinal herbs and natural cosmetics
Housediet S.A.R.L. 75 rue Faubourg Bonnefoy 31500 Toulouse (France)	Sale of nutrition products Medicinal herbs and natural cosmetics
Kiluva Portuguesa –Nutrição e Dietética, Lda Avenida Dr. Luis SA, 9 9ª Parque Ind Montserrat Fração "M" Abruheira 2710 Sintra (Portugal)	Preparation and sale of nutrition products
Naturhouse Franchising Co, Ltd 33 church road, Ashford Middlesex (Great Britain)	Sale of nutrition products Medicinal herbs and natural cosmetics
Naturhouse, Gmbh Rathausplatz, 5 91052 Erlangen (Germany)	Sale of nutrition products Medicinal herbs and natural cosmetics
Naturhouse, Sp. zo.o. Ul/Dostawcza, 12 93-231 Łódź (Poland)	Sale of nutrition products Medicinal herbs and natural cosmetics
Naturhouse S.R.L. Viale Panzacchi, n° 19 Bologna (Italy)	Sale of nutrition products Medicinal herbs and natural cosmetics
Zamodiet México S.A. de C.V. Boulevard Interlomas, n° 5 L4 Lomas Anahuac (Mexico)	Sale of nutrition products
S.A.S. Naturhouse Rue Phillippe Lebon, 12 Zone de Jarlard, Albi (France)	Sale of nutrition products Medicinal herbs and natural cosmetics
Kiluva Diet, S.L.U. Avenida Lyon, n° 6, Azuqueca de Henares (España)	Sale of nutrition products Medicinal herbs and natural cosmetics

APPENDIX II: Information on the Sole Director in relation to section 229 of the corporate enterprise act.

2012

Sole Director and related parties	Company	Direct ownership	Duties or position
Félix Revuelta Fernández	Zamodiet, S.A.	2%	None
Kilian Revuelta Rodríguez	Zamodiet, S.A.	1%	Director
Félix Revuelta Fernández	Indusen, S.A.	0.50%	None
Félix Revuelta Fernández	Gartabo, S.A.	1%	None
Félix Revuelta Fernández	Ichem Sp.zo.o	-	Director
Kilian Revuelta Rodríguez	Ichem Sp.zo.o	-	Director
Vanesa Revuelta Fernández	Ichem Sp.zo.o	-	Director
Félix Revuelta Fernández	Natraceutical	-	Director

2011

Sole Director and related parties	Company	Direct ownership	Duties or position
Félix Revuelta Fernández	Zamodiet, S.A.	2%	None
Kilian Revuelta Rodríguez	Zamodiet, S.A.	1%	Director
Félix Revuelta Fernández	Indusen, S.A.	0.50%	None
Félix Revuelta Fernández	Gartabo, S.A.	1%	None
Félix Revuelta Fernández	Ichem Sp.zo.o	-	Director
Kilian Revuelta Rodríguez	Ichem Sp.zo.o	-	Director
Vanesa Revuelta Fernández	Ichem Sp.zo.o	-	Director
Félix Revuelta Fernández	Natraceutical	-	Director
Félix Revuelta Fernández	Sniace	-	Director

Naturhouse Health S.A.U. and Subsidiaries

COMBINED SPECIAL PURPOSE INCOME STATEMENT FOR 2012 AND 2011

(Thousands of euros)

	Notes	Year 2012	Year 2011
Revenue	Note 17.1	85.612	90.856
Procurements	Note 17.2	(28.928)	(31.335)
Gross profit		56.684	59.521
Other operating income		1.050	727
Staff costs	Note 17.3	(18.609)	(19.816)
Other operating expenses	Note 17.5	(20.144)	(20.480)
Operating profit before depreciation and amortisation, impairment and other profit		18.981	19.952
Depreciation and amortisation	Notes 6 and 7	(1.272)	(1.163)
Impairment losses and gains (losses) on disposal of fixed assets		8	137
OPERATING PROFIT		17.717	18.926
Finance income	Note 17.4	2.331	1.928
Income from equity investments, third parties		777	425
Other finance income		1.554	1.503
Finance costs	Note 17.4	(1.577)	(1.433)
Third-party borrowings		(1.577)	(1.433)
Impairment and gains/(losses) on disposal of financial instruments	Note 17.4	(6.227)	(2.632)
Exchange gains	Note 17.4	(1)	(1)
FINANCIAL PROFIT (LOSS)		(5.474)	(2.138)
Share of profit (loss) of associates		-	-
CONSOLIDATED PROFIT BEFORE TAX		12.243	16.788
Income tax	Note 16.2	(5.160)	(5.836)
NET PROFIT FROM CONTINUING OPERATIONS		7.083	10.952
CONSOLIDATED NET PROFIT		7.083	10.952
Profit (loss) attributable to non-controlling interests		13	(11)
NET PROFIT FOR THE YEAR ATTRIBUTED TO THE PARENT	Note 12	7.096	10.941

The accompanying Notes 1 to 22 to the combined special purpose financial statements and Appendices I and II are an integral part of the combined special purpose income statement for 2012 and 2011.

Naturhouse Health S.A.U. and Subsidiaries

COMBINED SPECIAL PURPOSE BALANCE SHEET AT 31 DECEMBER 2012 AND 2011

(Thousands of euros)

ASSETS	Notes	31/12/2012	31/12/2011	EQUITY AND LIABILITIES	Notes	31/12/2012	31/12/2011
NON-CURRENT ASSETS:				EQUITY:			
Intangible assets	Note 6	145	96	Share capital and reserves-	Note 12	700	700
Property, plant and equipment	Note 7	8,399	8,835	Subscribed share capital	Note 12	2,365	2,365
Non-current financial assets	Note 9.1	5,210	11,082	Share premium	Note 12	5,691	4,470
Deferred tax assets	Note 16.3	1,127	705	Reserves		117	6
Total non-current assets		14,881	20,717	Translation differences		7,096	10,941
				Profit for the year		15,969	18,482
				EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT			
				EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	Note 12	273	288
				Total equity		16,242	18,770
CURRENT ASSETS:				NON-CURRENT LIABILITIES:			
Inventories	Note 10	3,684	3,135	Non-current provisions	Note 13	601	577
Trade receivables for sales and services rendered		5,553	5,529	Non-current borrowings	Note 14	6,220	11,280
Trade receivables, related companies		5	1,512	Deferred tax liabilities	Note 16.5	329	251
Current tax assets and other				Total non-current liabilities		7,150	12,108
tax receivables							
Other current assets				CURRENT LIABILITIES:			
Investments in related companies				Current borrowings	Note 14	28,687	21,001
Current financial assets	Notes 9.2 and 18.1	951	196	Financial liabilities with related parties	Note 18.1	1,455	2,651
Cash and cash equivalents	Note 9.3	35,173	30,266	Trade and other payables	Note 15	5,059	4,478
Total current assets	Note 11	7,038	925	Suppliers, related companies	Note 18.1	8,061	4,479
TOTAL ASSETS		69,144	66,067	Current tax liabilities and other		2,490	2,580
				tax payables	Note 16.1	45,752	35,189
				Total current liabilities		69,144	66,067
				TOTAL EQUITY AND LIABILITIES			

The accompanying Notes 1 to 22 to the combined special purpose financial statements and Appendices I and II are an integral part of the combined special purpose balance sheet at 31 December 2012 and 2011.

Naturhouse Health S.A.U. and Subsidiaries

COMBINED SPECIAL PURPOSE STATEMENT OF COMPREHENSIVE INCOME

FOR 2012 AND 2011
(Thousands of euros)

	Year 2012	Year 2011
A- PROFIT FOR THE YEAR	7.083	10.952
B- OTHER COMPREHENSIVE INCOME RECOGNISED DIRECTLY IN EQUITY		
Items that will not be transferred to profit and loss:		
Items that may subsequently be transferred to profit and loss:		
Due to measurement of financial instruments	(6.082)	(2.632)
a) <i>Available-for-sale financial assets</i>	(19)	247
Due to translation of financial statements denominated in foreign currency	1.825	790
Tax effect		
C- TRANSFER TO PROFIT AND LOSS		
Due to measurement of financial instruments	6.082	2.632
a) <i>Available-for-sale financial assets</i>	(1.825)	(790)
Tax effect		
TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR (A+B+C)	7.064	11.199
Total comprehensive income attributable to:		
- The Parent	7.207	10.921
- Non-controlling interests	(143)	278
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	7.064	11.199

The accompanying Notes 1 to 22 and Appendices I to II are an integral part of the combined special purpose statement of comprehensive income for 2012 and 2011

Naturhouse Health S.A.U. and Subsidiaries

COMBINED SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY FOR 2012 AND 2011 (Thousands of euros)

	Share capital	Share premium	Reserves	Translation differences	Profit for the year	Interim dividend	Non-controlling interests	Equity Total
Balance at 31 December 2010	700	2.365	6.735	44	10.581	(3.490)	439	17.375
Recognised income and expense	-	-	-	(19)	10.940	-	278	11.199
Distribution of 2010 profit	-	-	7.090	-	(10.580)	3.490	-	-
Transactions with the Sole Shareholder:	-	-	(1.570)	-	-	-	-	(1.570)
- Dividends paid	-	-	(979)	-	-	-	-	(979)
- Other distributions to the Sole Shareholder	-	-	1.167	-	-	-	-	1.167
- Contributions of the Sole Shareholder	-	-	(7.974)	(19)	-	-	(429)	(8.422)
Changes in the scope of consolidation	-	-	-	-	-	-	-	-
Balance at 31 December 2011	700	2.365	4.470	6	10.941	-	288	18.770
Recognised income and expense	-	-	-	111	7.096	-	(143)	7.064
Distribution of 2011 profit	-	-	10.941	-	(10.941)	-	-	-
Transactions with the Sole Shareholder:	-	-	(8.100)	-	-	-	-	(8.100)
- Dividends paid	-	-	(1.614)	-	-	-	-	(1.614)
- Other distributions to the Sole Shareholder	-	-	(6)	-	-	-	-	-
Changes in the scope of consolidation	-	-	-	-	-	-	128	122
Balance at 31 December 2012	700	2.365	5.691	117	7.096	-	273	16.242

The accompanying Notes 1 to 22 and Appendices I and II are an integral part of the combined special purpose statement of changes in equity for 2012 and 2011.

Naturhouse Health S.A.U. and Subsidiaries

COMBINED SPECIAL PURPOSE STATEMENT OF CASH FLOWS FOR 2012 AND 2011

(Thousands of euros)

	Year 2012	Year 2011
CASH FLOWS FROM OPERATING ACTIVITIES	14.381	10.332
Profit for the year before tax	12.243	16.788
Adjustments of items that do not give rise to operating cash flows	5.631	3.515
Changes in working capital	3.595	(2.516)
Other cash flows from operating activities	(7.088)	(7.455)
CASH FLOWS FROM INVESTING ACTIVITIES	(5.471)	(915)
Payments on investments (-)	(12.765)	(11.424)
Receivables for divestments (+)	7.294	10.509
CASH FLOWS FROM FINANCING ACTIVITIES	(5.245)	(14.066)
Proceeds from and payments on financial liability instruments	2.855	(12.496)
Dividends paid and interest on other equity instruments	(8.100)	(1.570)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	125	7
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	3.790	(4.642)
Cash and cash equivalents at beginning of year	3.248	7.890
Cash and cash equivalents at end of year	7.038	3.248

The accompanying Notes 1 to 22 and Appendices I and II are an integral part of the combined special purpose statement of cash flows for 2012 and 2011.