

# LAYTON GROUP

- The Group is expanding internationally utilizing the successful business model applied in Greece
- Internationally controls Schaub Lorenz, a historic brand with global awareness



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by **VALUATION & RESEARCH SPECIALISTS (VRS)**

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## LAYTON GROUP [LAYTON]

Sector : Consumer Electronics &amp; Electrical Products

Christophoros J. Makrias

Nicholas I. Georgiadis

CA, HCMC

### Company Description:

Layton Group is a marketing and trading organization of consumer electronics and electrical appliances with 23 years of experience in international trading. With the control of the high-potential German brand Schaub Lorenz, Layton has successfully started the transition from a pure distributor to a brand manager with global ambitions.

### Key Investment Points

- ⊙ Layton Group, through Laytoncrest SA, has managed to post strong sales growth in Greece during the last 3 years, reaching turnover of € 27.2 million at the end of the fiscal 2008 from € 20.7 million during the fiscal 2007. The Group utilizes a business model of high quality and medium priced branded products, entering into large retail chains and gaining valuable market shares in Greece.
- ⊙ **More than 95% of the Group sales are directed to major international chains** such as Dixons, Carrefour, Metro, Praktiker, Media Markt, Saturn, etc. Layton has strong client relationships with these international chains gaining at the same time the opportunity of geographical expansion by following its clients in selected high-growth and large mature markets.
- ⊙ The Group controls a majority stake in Schaub Lorenz International, controlling at the same time the brand name Schaub Lorenz. With its **total value calculated at 91 mn euro, the Schaub Lorenz brand is an important asset for Layton Group**. Layton is planning to utilize the brand name, by reestablishing its awareness not only regionally but also in the global marketplace.
- ⊙ According to our estimates **for the period 2009-2015, turnover will post a strong annual growth of 45.9%**, while EBITDA margin will increase to 11.2% in 2015 from 4.3% in 2008. Net income is projected to surge in the coming years by exceeding 13 million euro by the end of the fiscal 2015 from marginal profit in fiscal 2008 and in 2009.
- ⊙ By applying our forecasts for the coming 7-years in the DCF model, we derive an equity value of € 49.4 million. In addition, by comparing our forecast for the fiscal 2010 to the ratios P/E & P/BV of an international peer group of listed companies, and then weighting the three methods, we end up with an **equity value of € 53.3 million** (subject to the success of the business plan).

In million €	2009 E	2010 E	2011 E
Turnover	23.91	73.76	114.57
EBITDA	1.16	3.45	7.05
Margin %	4.9%	4.7%	6.1%
Net Income	0.18	0.83	2.52
Margin %	0.7%	1.1%	2.2%

Source: VRS Projections

Please see important disclosure and disclaimer statements at the end of this report

VALUATION & RESEARCH SPECIALISTS : 104 Eolou Str., 105 64, Athens, Greece

Tel : + 30 210 32 19 557 FAX: + 30 210 33 16 358 E-mail: [info@valueinvest.gr](mailto:info@valueinvest.gr) – [info@iraj.gr](mailto:info@iraj.gr)

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## General Overview

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Layton Group, through Laytoncrest SA, has managed to post strong sales growth in Greece during the last 3 years, reaching turnover of 27.2 million euro at the end of the fiscal 2008 from 20.7 million euro during the fiscal 2007. The Group utilizes a business model of high quality and medium priced branded products, entering into large retail chains and gaining valuable market shares in Greece. The Group has already reached a critical, but still growing, mass in Greece, and is currently planning to gradually transfer the business model to other European countries.

For the next 6-year period (2009-2015), we have projected solid growth for sales and bottom line results for the Group based on the following key assumptions:

1. Geographical expansion of sales to countries where key multinational clients (i.e. Dixons, Carrefour, Praktiker, Media Markt and Makro) are present.
2. Utilization of the brand name Schaub Lorenz, by reestablishing its awareness not only regionally but also in the global marketplace, seeking to capture a global market share of 1-2% over the next 15 years.
3. Inclusion of brand names like Telefunken and Trenton, creating a broader brand portfolio and strengthening Layton's bargaining status.
4. Expansion of product portfolio including small appliances, A/Cs and energy saving products, increasing at the same time the profit margins of the Group.

In the long run, the Group will further benefit from the expansion of Schaub Lorenz branded products' sales globally. The Schaub Lorenz International (Layton Group with GT globally controls 56.6% equity stake through subsidiaries) is strategically planning to expand globally by granting licenses to local partners and receiving royalty fees. We have not included this potential in our projections and valuation model, since we expect that Layton will realize valuable profits after the fiscal 2015.

## Investment Case

### Successful Business Model in Greece

Layton Group has managed to become a respectable player in consumer electronic and electric appliances market in Greece, promoting products of recognizable brands like Schaub Lorenz (controls 56.6% of the brand) and Telefunken (via license and distribution agreement).

The table below presents the market shares per product category that Layton Group has in Greece as of December 2008:

	Total Greek Market (pieces)	Layton Sales (pieces)	% market Share
LCD TV Sets	666,300	20,655	3.1%
Cooking	245,461	12,764	5.2%
Cooling	363,043	35,941	9.9%
Washing Machines	312,874	13,141	4.2%

The business model adopted in Greece is better analyzed according to 3 important factors:

- **Product Portfolio Offered in the Market**
  - The Group's portfolio of products includes all the range of white and brown goods and is currently expanding in small appliances, A/Cs, telecom appliances and green energy oriented products. The broad portfolio of products, support Group's bargaining power, increasing its competitiveness.
  - The activities of Layton with regard to controlling and licensed (Schaub Lorenz, Trenton & Telefunken) brands deal with the design, production, quality control, marketing and distribution of consumer electronics and electrical products to retail stores. As a result, Layton is elastic enough to react fast on market trends and satisfy customer needs. Customer preferences are supported by suitable advertising.
  - In addition, the product portfolio is enriched by the representation of other brands under distribution agreements. The duration of the distribution contracts of other brands, is long and renewable, providing enough time space, for development and trading activities.

- **Quality Standard – Low Pricing**
  - The competitive advantage of Layton Group's products, are the high quality followed by reliable after sales services, and the medium level pricing. Layton has extensive experience in contract manufacturing via efficient quality control system, ensuring the prerequisites and quality standards set by the large multinational chains.
- **Targeted Clients**
  - With the advantages of high quality, after sales service and low pricing, the Company managed to distribute its products through large retail chains with global presence. Clients are the most successful electric retail chains in Europe. More than 95% of the Group sales are directed to major international chains such as Dixons, Carrefour, Metro, Praktiker, Media Markt, Saturn etc. The above strategy allows Layton to ensure stability in terms of receivables. The table below presents the sales breakdown per customer of the Greek operations as of December 2008.

<b>Clients by Sales</b>	In EUR mn
Dixons	10.4
Carrefour	8.1
Praktiker	3.2
Media Markt / Saturn	2.5
Makro	1.2
Others	1.8
<b>Total</b>	<b>27.2</b>

We believe that Layton Group is well positioned to retain and gradually increase its market share in Greece. In addition, this model could operate successfully in other countries, expanding operations geographically.

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### Geographical Expansion Utilizing its Major Clients' Presence

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Layton has strong client relationships with major international chains (Dixons, Media Markt, Saturn, Praktiker, Carrefour) gaining at the same time the opportunity of geographical expansion by following its clients in selected high-growth and large mature markets. The Group will focus on high growth markets in SE Europe as well as mature markets with good client presence, adopting a strategy similar to the successful one of Greece.

During the initial steps of development, the markets targeted by Layton cover a broad range of European countries, out of which so far Greece and Italy are of particular importance in terms of turnover. Turnover in the Greek market for year 2008 calculated on a pro forma basis, accounts for € 27 mil.. In the Italian market, the Group is planning to acquire a company (GT) with total turnover of € 31 mil. in the local market (as of December 2008), and increase sales according to Italy's market size. Part of the proceeds from the planned capital increase will be directed to the acquisition of this company in Italy.

The current market downturn offers good entry opportunities for flexible players such as Layton, with a low risk profile and a broad product mix based on the good value for money principle. The Group's immediate targets are Romania, Turkey and the rest of S.E. Europe, where opportunities currently appear more attractive despite the recent market downtrend. Some of its current clients have already strong presence in these countries and Layton will utilize its relationship ensuring a strong start from day one.

We believe that the Group could realize a minimum of 2% market share in most of these countries during the first 5-6 years of operations. This target is accessible due to the attractive conditions enabling Layton to enter the new markets by serving existing clients while at the same time enhancing profitability by the so far unused promotion and advertising activities. The proceeds from the planned capital increase are deemed to support this initiative.

By the end of the next 2-3 years, the Group plans to set a wholesales network in at least 10 different countries. We believe that by the end of the fiscal 2012, total Group turnover will exceed 150 million euro, and by the end of the fiscal 2015 will exceed 230 million euro.

### Historic & Projected Geographic Turnover Breakdown

(in € ,000)	2008	2009 E	2010 E	2011 E	2012 E	2013 E	2014 E	2015 E
<b>Countries</b>								
<b>Greece &amp; Cyprus</b>	<b>27,202</b>	<b>23,907</b>	<b>29,691</b>	<b>33,825</b>	<b>36,785</b>	<b>39,826</b>	<b>42,950</b>	<b>44,876</b>
% of total revenue	100%	100.0%	40.3%	29.5%	24.5%	22.3%	20.8%	19.5%
y-o-y change		-12.1%	24.2%	13.9%	8.7%	8.3%	7.8%	4.5%
<b>Italy</b>			<b>36,100</b>	<b>58,048</b>	<b>72,923</b>	<b>80,617</b>	<b>88,385</b>	<b>96,230</b>
% of total revenue			48.9%	50.7%	48.5%	45.1%	42.9%	41.7%
y-o-y change				60.8%	25.6%	10.5%	9.6%	8.9%
<b>Turkey</b>			<b>2,098</b>	<b>4,615</b>	<b>8,307</b>	<b>12,461</b>	<b>15,576</b>	<b>17,913</b>
% of total revenue			2.8%	4.0%	5.5%	7.0%	7.6%	7.8%
y-o-y change				120.0%	80.0%	50.0%	25.0%	15.0%
<b>Romania</b>			<b>1,625</b>	<b>3,348</b>	<b>6,026</b>	<b>8,436</b>	<b>10,292</b>	<b>12,041</b>
% of total revenue			2.2%	2.9%	4.0%	4.7%	5.0%	5.2%
y-o-y change				106.0%	80.0%	40.0%	22.0%	17.0%
<b>Bulgaria</b>			<b>1,138</b>	<b>1,547</b>	<b>2,367</b>	<b>2,897</b>	<b>3,448</b>	<b>3,724</b>
% of total revenue			1.5%	1.4%	1.6%	1.6%	1.7%	1.6%
y-o-y change				36.0%	53.0%	22.4%	19.0%	8.0%
<b>Serbia</b>			<b>656</b>	<b>901</b>	<b>1,392</b>	<b>1,721</b>	<b>2,067</b>	<b>2,274</b>
% of total revenue			0.9%	0.8%	0.9%	1.0%	1.0%	1.0%
y-o-y change				37.3%	54.5%	23.6%	20.2%	10.0%
<b>Albania</b>			<b>276</b>	<b>378</b>	<b>585</b>	<b>723</b>	<b>868</b>	<b>955</b>
% of total revenue			0.4%	0.3%	0.4%	0.4%	0.4%	0.4%
y-o-y change				37.3%	54.5%	23.6%	20.2%	10.0%
<b>Other Balkan Countries</b>			<b>2,180</b>	<b>2,834</b>	<b>3,685</b>	<b>4,421</b>	<b>5,085</b>	<b>5,491</b>
% of total revenue			3.0%	2.5%	2.4%	2.5%	2.5%	2.4%
y-o-y change				30.0%	30.0%	20.0%	15.0%	8.0%
<b>United Kingdom</b>				<b>9,070</b>	<b>18,321</b>	<b>27,756</b>	<b>37,378</b>	<b>47,189</b>
% of total revenue				7.9%	12.2%	15.5%	18.1%	20.5%
y-o-y change					102.0%	51.5%	34.7%	26.3%
<b>Total Group Turnover</b>	<b>27,202</b>	<b>23,907</b>	<b>73,762</b>	<b>114,567</b>	<b>150,390</b>	<b>178,857</b>	<b>206,049</b>	<b>230,693</b>

Source: Company's Historic Data & VRS Projections.

### Schaub Lorenz Brand Name

The Group's brands are carefully positioned, to be complimentary, i.e. not to cover each other, marketing wise or price wise. This portfolio of complimentary brands acts as a commercial multiplier and is unique among competition. Hence, the international retailers are attracted to such a portfolio. Brand portfolio comprises license agreements for additional strong traditional brands like Telefunken and AEG. The table below presents all the signed agreements and controlling stakes of Layton Group's brand portfolio.

Brand	Control Status	Exclusivity	Duration	Products & Positioning
Schaub Lorenz	56.6%	SE Europe Turkey Italy, UK	Indefinite	All Categories Middle pricing
Trenton	100%	Globally	Indefinite	All Categories Low pricing
Telefunken	No	Greece-Cyprus Romania Bulgaria	7+3 yrs Renewable in 2015	All Categories High pricing
AEG	No	Greece	Indefinite	Telecom High pricing
Ariston	No	Greece	Renewable	White
Indesit	No	Greece	Renewable	White

Source: The Company.

IRIGA, subsidiary of Layton Group, holds a 28.3% equity stake in Schaub Lorenz International (controls 100% of the brand name Schaub Lorenz) and additionally, has the contract (of indefinite duration) for developing Schaub Lorenz in South Eastern Europe and Turkey. The recent acquisition of Balfour by the Layton Group added another 28.3% equity stake in Schaub Lorenz International transferring at the same time the control of the international brand to Layton. Controlling the high-potential German brand Schaub Lorenz, Layton has successfully started the transition from a pure distributor to a brand manager with global ambitions.

The brand Schaub Lorenz is registered globally, with the purpose of a step by step, global development, either directly, or through local licensed distributors. The

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potential target of the S.L. brand global market share could be:

- 2% of the 100 billion euro consumer electronics' market. The total market is estimated at 300 billion euro, of which 200 billion euro is controlled by LG, Samsung, Sony and Philips.
- 1% of the 100 billion euro major domestic appliances' market.
- 1% of the 35 billion euro small domestic appliances' market.
- 1% of the 20 billion euro air conditioning's market.

Market data provided by Gfk.

Layton Group will benefit from the expansion of Schaub Lorenz branded products' sales globally. Schaub Lorenz International will be receiving royalty fees and will be distributing dividends to shareholders. However, we have not included this potential in our projections and valuation model, since we expect that Layton will realize valuable profits after the fiscal 2015.

In addition, the Group has a license agreement to promote exclusively Telefunken products of all categories under a high pricing policy to Greece, Cyprus, Romania and Bulgaria, while the 100% owned brand Trenton with low priced products in all categories, could be promoted globally. All the 3 brands are complementary with regard to pricing and cover the whole range of consumer electronics and electric appliances, enriching Group's product portfolio and competitive advantage.

### Opportunities to Expand Product Portfolio – Value Added Products

Layton's major product categories are presented below:

White Goods (MDA)
Brown Goods (Consumer electronics)
Small Domestic Appliances (SDA)
Clima (Air-conditioning, Heating)
Green Energy oriented (energy saver bulbs, photovoltaic products etc.)
Telecommunications (Dect, GSM)
Power Tools
Green Energy Systems

Layton's accumulated experience has paved the way to a more profitable strategy by "feeding" its sales network with brands, on which Layton has long term interest. Thus the Group initiated its "A" brand portfolio and subcontracted production to major original equipment manufacturers (OEM), instead of just spot dealing with other manufacturers' brands.

In the following 2-3 years, the Group will enhance its product portfolio by promoting value added products like small appliances and A/Cs where profit margins are significantly higher compared to current sales. The world market volume for smaller appliances accounts for approximately 35 billion euro. We believe that the Group has the experience to capture a valuable share (~1%) from this market in the targeted countries.

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## Company Profile

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Layton started its activity in London, in 1987, following a strategy of spot trading “A” brands across European markets, by exercising price arbitrage and supplying international retailers.

Over the years, Layton gathered substantial know how from “A” brands and extensively subcontracted their production to major OEM factories around the world. Specifically:

- Laytoncrest (UK) Ltd was historically involved in wholesaling of Consumer Electronics (Brown-White-Telecom-Air Conditioning) with focus in South Eastern Europe territories for the last 20 years.
- Laytoncrest (Greece) S.A. sales are generated mainly in the Greek market, with the latter being the largest turnover wise and most sophisticated of all South-Eastern European markets (including Turkey).
- Layton was for several years one of the major Parallel Traders of branded CE goods, in South Eastern Europe, supplying Dixons, MediaMarkt, Carrefour, Makro, Praktiker amongst other worldwide retail chains.
- Due to its remarkable performance in Parallel Market, Laytoncrest, was offered an Official Distribution status, by Merloni Group (Indesit-Ariston), in 1998.
- Since most major brands subcontracted their production to certain factories, Laytoncrest decided to market its own brand and pursued to become sub licensee of Schaub Lorenz in 2001 for South-Eastern Europe. Following the commercial success of this revitalized old and famous German brand, IRIGA/Laytoncrest (S.E. Europe & Turkey), HB (Austria, Hungary, Czech, Slovakia), ELTA (Germany), ADMEA (France, Spain, Portugal) and GT (Italy) established GHL in Vienna, the latter being the new owner of Schaub Lorenz trademark, worldwide. GHL, was later renamed to Schaub Lorenz Int. GmbH (S.L.I.).
- IRIGA, the subsidiary of Layton SA, is 28.3% shareholder, of Schaub Lorenz International (S.L.I.) and additionally, has the (indefinite) contract for developing Schaub Lorenz in South Eastern Europe and Turkey.
- Laytoncrest (Greece) is contractually (from IRIGA) the Schaub Lorenz Distributor for Greece, South-Eastern Europe and Turkey and is paying

royalties to IRIGA.

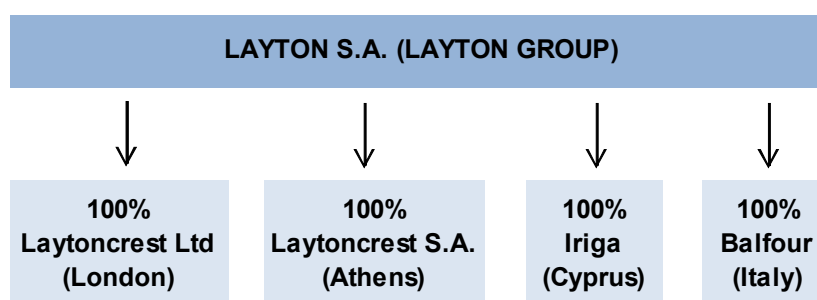
- BALFOUR, the subsidiary of Layton SA, is 28.3% shareholder through Chambertin, of S.L.I. and additionally, has the (indefinite) contract for developing Schaub Lorenz in Italy, Malta and Middle East.

The Company's history is highlighted below:

Layton Group Corporate History	
1987	Foundation in London, UK
Mid 1990s	One of the biggest parallel traders in Europe
2001	Cooperation with General Trading, Italy
2002	Acquisition of share in Schaub Lorenz brand
2008	Control of Schaub Lorenz brand
2008	License agreement with Telefunken

Source: The Company.

LAYTON has consolidated its activities under the new Luxembourg-based holding company, LAYTON S.A.. This decision reflects the international nature of the Group and its particular focus on a European expansion for a start and later to a global expansion. In practice and in order to facilitate the development of the Group, effective June 2009, the activities have been integrated into the holding company by way of a capital increase. The chart shows the Group's structure since July 2009.



Source: The Company.

### Schaub Lorenz International (Austria) GmbH

Schaub Lorenz International (S.L.I.) is based in Vienna, Austria and is the world owner of the trademark Schaub Lorenz. Schaub Lorenz is the leading B+/A- brand amongst electronic and electrical manufacturers and distributors in Greece. It was founded in 1880 in Germany and re-launched in 2001 and has been associated for years with quality, innovation, competence. Schaub Lorenz trademark is legally registered world wide.

S.L.I.'s mission is to:

- (a) Protect and manage the brand Schaub Lorenz worldwide;
- (b) Develop, design and innovate the brand's product line;
- (c) Distribute and promote the brand strategically; and
- (d) Locate new global distributors, on license basis.

S.L.I.'s current shareholders and markets assigned are depicted in the following table:

Share in S.L.I.	Layton S.A. (Iriga holds 28.3%) Luxemburg	GT (Balfour/ Chambertin holds 28.3%) Milano	HB (28.3%) Vienna	Admea (10%) Paris	Elta (5%) Frankfurt
Distribution Contract Allocated	Greece Cyprus SE Europe Turkey UK	Italy Malta Middle East	Austria Czech Slovakia Swiss Hungary	France Spain Portugal Benelux	Germany Poland

Source: S.L.I.

### Clientele Base

Layton has strong client relationships with major international chains (Dixons, Media Markt/Saturn, Praktiker, Carrefour) gaining at the same time the opportunity of geographical expansion by following the clients in high-growth and selected large mature markets.

### Sales Breakdown per Client for the Fiscal 2008

	Sales 2008		
	Value (EUR mn)	% of Total	
DIXONS	10,416	39%	Retail chain
CARREFOUR	8,090	30%	DIY
PRAKTIKER	3,232	12%	DIY
MEDIA MARKT/SATURN	2,457	9%	Retail chain
MAKRO	1,178	4%	DIY
BUYING GROUPS	777	3%	Buying groups
INDEPENDENT	381	1%	Independent
EXPORTS	507	2%	Exports
<b>TOTAL</b>	<b>27,038</b>		

Source: The Company.

### Layton - Shareholders' Structure

Shareholder	Equity Stake
Michael Tsidemidis	33.44%
Oanez Ltd (Cyprus)	32.78%
Tiponia Ltd (Cyprus)	32.78%
<b>Total Number of Shares</b>	<b>53,450,000</b>

Source: The Company.

## Valuation (DCF Methodology)

We have applied the DCF methodology which is the most widely accepted approach for corporate valuation and provides a greater depth of understanding of a company's dynamics. The DCF method incorporates the Layton Group's growth prospects over the next 7 years in the most analytical and complete pattern.

By projecting the Group's operating profits, and then adjusting for taxes, depreciation, capital expenditures and working capital, we end up with the future free cash flows to the firm. Discounting the cash flows with the weighted average cost of capital (the interest rate that weighs both own capital and debt employed by a company), we end up with the Group's enterprise value, also known as EV that equals with equity value (or market capitalization) plus debt minus cash.

Applying the above assumptions and factors, the implied equity value (according to DCF methodology) of the Group settles at €49.4 million.

The following important assumptions have been made in the DCF model:

- Infinity weighted average cost of capital at 10.7% (based on a 15% debt to capital employed ratio with cost of equity and cost of debt assumed at 11.6% and 7.5% respectively),
- Cost of equity is based on risk free rate of 5.0%, risk premium of 5.5% and beta of 1.2x.
- Infinity Sales Growth of 1.5%,
- Infinity EBIT Margin of 10%.

### Weighted Average Cost of Capital (WACC) Calculation

<b>WACC CALCULATION</b>	
Risk Free Rate	5.0%
Beta Factor	1.2
Market risk Premium	5.5%
<b>Cost of Equity</b>	<b>11.6%</b>
Debt / Debt + Equity	15.0%
Cost of Debt	7.5%
Tax Rate	25.0%
<b>Weighted Average Cost of Capital</b>	<b>10.7%</b>

Source: VRS Estimates.

The table below demonstrates our assumptions and calculations.

	2009 E	2010 E	2011 E	2012 E	2013 E	2014 E	2015 E	L-Term Assumptions
<b>Important Assumptions</b>								
Growth Rate (Sales)	-12.1%	208.5%	55.3%	31.3%	18.9%	15.2%	12.0%	1.5%
EBIT Margin	4.8%	4.6%	6.1%	7.1%	9.6%	10.5%	11.2%	10.0%
Tax Rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Working Capital (% of sales)	-7.3%	16.8%	8.8%	5.7%	3.3%	2.9%	2.3%	3.2%
Capex (% of sales)	0.6%	8.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.1%
WACC	11.1%	10.7%	10.3%	10.1%	10.2%	10.3%	10.6%	10.7%
Depreciation (% of sales)	0.11%	0.09%	0.08%	0.06%	0.06%	0.05%	0.04%	0.1%
<b>Cash Flow Statement (in € ,000)</b>								
<b>Turnover</b>	<b>23,907</b>	<b>73,762</b>	<b>114,567</b>	<b>150,390</b>	<b>178,857</b>	<b>206,049</b>	<b>230,693</b>	<b>234,154</b>
EBIT	1,136	3,377	6,956	10,691	17,227	21,690	25,792	23,415
Less: Adjusted Tax	284	844	1,739	2,673	4,307	5,423	6,448	5,854
<b>Adjusted Operating Profit</b>	<b>852</b>	<b>2,532</b>	<b>5,217</b>	<b>8,018</b>	<b>12,920</b>	<b>16,268</b>	<b>19,344</b>	<b>17,562</b>
Plus: Depreciation	27	70	90	95	100	100	100	117
<b>Operating Cash Flow</b>	<b>879</b>	<b>2,602</b>	<b>5,307</b>	<b>8,113</b>	<b>13,020</b>	<b>16,368</b>	<b>19,444</b>	<b>17,679</b>
Less: Change in Working Capital	-1,752	12,390	10,030	8,604	5,864	5,926	5,253	7,493
Less: Capex	138	6,258	207	58	58	8	9	117
<b>Cash Flow to the Firm (FCFF)</b>	<b>2,492</b>	<b>-16,046</b>	<b>-4,930</b>	<b>-548</b>	<b>7,099</b>	<b>10,433</b>	<b>14,183</b>	<b>10,069</b>
Discount Factor	0.90	0.82	0.75	0.68	0.62	0.56	0.50	0.49
Present Value of Cash Flows	2,244	-13,092	-3,675	-374	4,374	5,797	7,027	
Accumulated Present Value	2,244	-10,849	-14,523	-14,897	-10,523	-4,726	<b>2,301</b>	
Residual Value								109,397
<b>Present Value of Residual Value</b>								<b>53,687</b>
<b>VALUATION</b>								
Enterprise Value	55,988							
% Residual Value of Total	95.9%							
Less: Net Debt	6,543							
<b>Value of firm (in EUR thous.)</b>	<b>49,445</b>							

Source: VRS Estimates

The model's assumptions presume the following conditions:

- The Group will raise the required capital of about 11.5 million euro in the beginning of the fiscal 2010 in order to fund its immediate expansion plan during the first half of the fiscal 2010;
- The Group will have the ability to finance its long-term investment plan, by expanding into new countries, and will reach at least the market shares we have assumed.

### Comparative Valuation

The comparative valuation is based on a peer group of companies which are active leaders in the European consumer electronics sector.

Peer Group	Market Cap*	P/E (est. 2011)	P/BV (est. 2011)
Philips (in EUR)	17,084	23.11x	1.14x
Medion (in EUR)	327	18.33x	0.82x
Loewe (in EUR)	139	8.25x	1.55x
<b>Average</b>		<b>16.56x</b>	<b>1.17x</b>

Layton Group	In EUR thous.		
	Fiscal 2010		
Net earnings	702		
Shareholder's equity	88,112		
	In EUR thous.	Premium	In EUR thous.
	Implied Valuation		Implied Valuation
<b>P/E</b>	<b>11,620</b>	<b>30%</b>	<b>15,107</b>
<b>P/BV</b>	<b>103,158</b>	<b>0%</b>	<b>103,158</b>

\*Mkt Cap in mn, as of September 30, 2009.

Source: Bloomberg, Reuters, & VRS Calculations.

The comparative valuation assumes the projected financial results of the fiscal 2010. Bloomberg and Reuters' data base is the source of peer group projections. We have utilized the fiscal 2010 financial results as the basis for our calculations since it is the year when the Group will begin realizing its expansion program -according to its business plan- and set new efforts for an even more aggressive penetration.

The 30% premium for P/E comparative ratio is justified by the increase of the management's equity stake to Schaub Lorenz International from 28.3% to 56.6%. Schaub Lorenz brand will be the flagship of Layton's future expansion. Substantial value may arise from the management's ability to take advantage of synergies and other benefits that flow from the control over the Schaub Lorenz brand. We have not set any premium to P/BV comparative ratio because the shareholder's equity of the Group includes, after the consolidation, the additional value arising from the holding of Schaub Lorenz Brand.

Premiums are typically paid for in transactions involving a control stake. According to surveys as well as academic research, an acquiring entity is often willing to pay more for equity securities that give a controlling interest than for a capital stake which does not represent a controlling interest.

The majority acquisition stake will allow Layton Group's management to:

1. Dynamically expand sales by utilizing the brand name in new geographic areas internationally, and
2. Increase the penetration of sales in current markets.

### Summary of Valuation Methods

Summarizing the results of the valuation methods applied previously, and weighting each method to derive the implied equity value of Layton, we end up with the following table:

	Valuation (in EUR thous.)	Weight	Adjusted Value (in EUR thous.)
<b>DCF Methodology</b>	49,445	60%	29,667
<b>P/E Multiple</b>	15,107	20%	3,021
<b>P/BV Multiple</b>	103,158	20%	20,632
<b>Implied Equity Value</b>			<b>53,320</b>

Source: VRS Calculations.

**The implied equity value of Layton Group, adjusted for the 3 methods applied, is calculated at EUR 53.32 million.**

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## Financial Analysis

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### Profit & Loss Analysis

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#### Turnover Analysis

Our assumptions with regard to Group's turnover growth are linked with the market size of the targeted countries and the minimum projected market share that Layton is in position to achieve. According to our assumptions, the market size of the electric and electronic appliances of each country is calculated as a percent of a country's GDP. We have distinguished the countries in 2 categories, according to the penetration of the particular market to each country assuming that the higher the penetration the lower the percent of the market to GDP in the coming years. We have taken 0.46-0.5% of the total GDP in countries with high penetration (as it is in Greece) and 0.52-0.54% in countries with low penetration. The table of the next page presents the relevant assumptions.

As a result of the above assumptions, for the period 2009-2015, Group's turnover is expected to increase by approximately 45.9% on average annually, reaching €230.7 million by the end of the fiscal 2015 from €23.9 million expected this year.

With regard to gross profit margin, we have assumed a gradual increase to the level of 22.5% from 18.7% during the fiscal 2008, mostly attributed to:

1. The increase in sales volume that will strengthen the bargaining power of the Group and will allow for higher discounts in product orders from suppliers;
2. The promotion of small appliances and other value added products (like green oriented products) that return higher profit margin to the Group.
3. Increased advertising spending that will add value to products increasing gross profit margin.

## Assumptions for Countries' Market Size &amp; Layton Group Market Share Target

	G.D.P.	G.D.P./ Market Size	2010 E	2011 E	2012 E	2013 E	2014 E	2015 E
<b>Countries</b>	(in € mn)							
<b>Greece &amp; Cyprus</b>	<b>239</b>	<b>0.50%</b>						
Market Evolution (in € mn)			1,190	1,208	1,226	1,245	1,263	1,282
Sales (in € ,000)			<b>29,691</b>	<b>33,825</b>	<b>36,785</b>	<b>39,826</b>	<b>42,950</b>	<b>44,876</b>
Target market share			2.5%	2.8%	3.0%	3.2%	3.4%	3.5%
<b>Italy</b>	<b>1,572</b>	<b>0.46%</b>						
Market Evolution (in € mn)			7,220	7,256	7,292	7,329	7,365	7,402
Sales (in € ,000)			<b>36,100</b>	<b>58,048</b>	<b>72,923</b>	<b>80,617</b>	<b>88,385</b>	<b>96,230</b>
Target market share			0.5%	0.8%	1.0%	1.1%	1.2%	1.3%
<b>Turkey</b>	<b>498</b>	<b>0.50%</b>						
Market Evolution (in € mn)			2,501	2,538	2,577	2,615	2,654	2,694
Sales (in € ,000)			<b>2,098</b>	<b>4,615</b>	<b>8,307</b>	<b>12,461</b>	<b>15,576</b>	<b>17,913</b>
Target market share			0.1%	0.2%	0.3%	0.5%	0.6%	0.7%
<b>Romania</b>	<b>137</b>	<b>0.54%</b>						
Market Evolution (in € mn)			745	756	767	779	790	802
Sales (in € ,000)			<b>1,625</b>	<b>3,348</b>	<b>6,026</b>	<b>8,436</b>	<b>10,292</b>	<b>12,041</b>
Target market share			0.2%	0.4%	0.8%	1.1%	1.3%	1.5%
<b>Bulgaria</b>	<b>34</b>	<b>0.54%</b>						
Market Evolution (in € mn)			186	188	191	194	197	200
Sales (in € ,000)			<b>1,138</b>	<b>1,547</b>	<b>2,367</b>	<b>2,897</b>	<b>3,448</b>	<b>3,724</b>
Target market share			0.6%	0.8%	1.2%	1.5%	1.7%	1.9%
<b>Serbia</b>	<b>36</b>	<b>0.52%</b>						
Market Evolution (in € mn)			186	189	192	195	198	201
Sales (in € ,000)			<b>656</b>	<b>901</b>	<b>1,392</b>	<b>1,721</b>	<b>2,067</b>	<b>2,274</b>
Target market share			0.4%	0.5%	0.7%	0.9%	1.0%	1.1%
<b>Albania</b>	<b>9</b>	<b>0.52%</b>						
Market Evolution (in € mn)			46	46	47	48	49	49
Sales (in € ,000)			<b>276</b>	<b>378</b>	<b>585</b>	<b>723</b>	<b>868</b>	<b>955</b>
Target market share			0.6%	0.8%	1.2%	1.5%	1.8%	1.9%
<b>Other Balkan Countries</b>	<b>89</b>	<b>0.52%</b>						
Market Evolution (in € mn)			461	475	489	504	519	535
Sales (in € ,000)			<b>2,180</b>	<b>2,834</b>	<b>3,685</b>	<b>4,421</b>	<b>5,085</b>	<b>5,491</b>
Target market share			0.5%	0.6%	0.8%	0.9%	1.0%	1.0%
<b>United Kingdom</b>	<b>1,816</b>	<b>0.46%</b>						
Market Evolution (in € mn)			8,330	8,455	8,582	8,711	8,841	8,974
Sales (in € ,000)			<b>0</b>	<b>9,070</b>	<b>18,321</b>	<b>27,756</b>	<b>37,378</b>	<b>47,189</b>
Target market share			0.0%	0.1%	0.2%	0.3%	0.4%	0.5%
<b>Total Turnover</b>	<b>4,430</b>		<b>73,762</b>	<b>114,567</b>	<b>150,390</b>	<b>178,857</b>	<b>206,049</b>	<b>230,693</b>

Source: Eurostat &amp; VRS Estimates

### Operating Expenses Analysis

The international expansion requires strong advertisement and promotional expenses, mostly during the first 2-3 years of the brands' positioning in the local markets. Additionally, logistic and royalty expenses are expected to increase proportionally to sales (3.2% and 0.5% of sales respectively). The analysis of the most important accounts of operating expenses is presented in the table below:

(in € ,000)	2008	2009 E	2010 E	2011 E	2012 E	2013 E	2014 E	2015 E
<b>Payroll</b>	<b>924</b>	<b>917</b>	<b>2,344</b>	<b>3,093</b>	<b>3,513</b>	<b>3,644</b>	<b>3,847</b>	<b>3,990</b>
% of total OPEX	24.3%	27.1%	20.7%	18.8%	16.9%	15.9%	15.7%	15.3%
% of turnover	3.4%	3.8%	3.2%	2.7%	2.3%	2.0%	1.9%	1.7%
<b>Logistics</b>	<b>921</b>	<b>789</b>	<b>2,287</b>	<b>3,552</b>	<b>4,662</b>	<b>5,723</b>	<b>6,594</b>	<b>7,382</b>
% of total OPEX	24.2%	23.3%	20.2%	21.6%	22.4%	25.0%	26.8%	28.4%
% of turnover	3.4%	3.3%	3.1%	3.1%	3.1%	3.2%	3.2%	3.2%
<b>Warranties</b>	<b>559</b>	<b>475</b>	<b>1,475</b>	<b>2,234</b>	<b>3,008</b>	<b>3,577</b>	<b>4,121</b>	<b>4,614</b>
% of total OPEX	14.7%	14.1%	13.0%	13.6%	14.5%	15.6%	16.8%	17.7%
% of turnover	2.1%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Promotional expenses</b>	<b>594</b>	<b>526</b>	<b>1,770</b>	<b>2,291</b>	<b>3,008</b>	<b>3,219</b>	<b>3,503</b>	<b>3,460</b>
% of total OPEX	15.6%	15.6%	15.7%	13.9%	14.5%	14.0%	14.3%	13.3%
% of turnover	2.2%	2.2%	2.4%	2.0%	2.0%	1.8%	1.7%	1.5%
<b>Advertising</b>	<b>0</b>	<b>0</b>	<b>2,213</b>	<b>3,437</b>	<b>4,211</b>	<b>3,935</b>	<b>3,709</b>	<b>3,691</b>
% of total OPEX	0.0%	0.0%	19.6%	20.9%	20.2%	17.2%	15.1%	14.2%
% of turnover	0.0%	0.0%	3.0%	3.0%	2.8%	2.2%	1.8%	1.6%
<b>Royalties</b>	<b>134</b>	<b>120</b>	<b>369</b>	<b>573</b>	<b>752</b>	<b>894</b>	<b>1,030</b>	<b>1,153</b>
% of total OPEX	3.5%	3.5%	3.3%	3.5%	3.6%	3.9%	4.2%	4.4%
% of turnover	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
<b>Insurance</b>	<b>100</b>	<b>68</b>	<b>229</b>	<b>344</b>	<b>439</b>	<b>492</b>	<b>531</b>	<b>570</b>
% of total OPEX	2.6%	2.0%	2.0%	2.1%	2.1%	2.1%	2.2%	2.2%
% of turnover	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%
<b>Other expenses</b>	<b>566</b>	<b>485</b>	<b>620</b>	<b>917</b>	<b>1,203</b>	<b>1,431</b>	<b>1,236</b>	<b>1,153</b>
% of total OPEX	14.9%	14.3%	5.5%	5.6%	5.8%	6.2%	5.0%	4.4%
% of turnover	2.1%	2.0%	0.8%	0.8%	0.8%	0.8%	0.6%	0.5%
<b>Total OPEX</b>	<b>3,798</b>	<b>3,379</b>	<b>11,306</b>	<b>16,440</b>	<b>20,796</b>	<b>22,916</b>	<b>24,571</b>	<b>26,014</b>

Source: VRS Estimates

**Financial expenses** include interest expenses arising from bank loans, calculated at 7.5% of the total bank debt, and additionally, other financial expenses (i.e. credit expenses) calculated as 1.5% of total turnover.

We have set a stable **tax rate** at 25% for all projected years.

We have also assumed distribution of **dividend** for all projected years.

### Key Elements of Balance Sheet

**CAPEX:** The majority of investments refer to the expansion program of the Group in new countries, including the acquisition of G.T. in Italy in order to expand operations in the country. The following table presents Layton's use of proceeds from the current listing, and required capital to complete the projected investments:

Use of Proceeds (in EUR)	Immediate	2010
Completion of : a) Payout of Schaub Lorenz brand		
b) Acquisition of General Trading distribution platform in Italy	6,000,000	
Advertising	1,000,000	
Product Diversification (Small Domestic Appliances and Air Conditioners)	1,500,000	
Tradefinance for Telefunken brand	1,500,000	
Repayment of Loans	1,500,000	
Geographic Expansion in :		
a) UK		6,500,000
b) Romania and Turkey		5,000,000
c) SE Europe		3,500,000
<b>TOTAL</b>	<b>11,500,000</b>	<b>15,000,000</b>

Source: The Company.

We have assumed that the Group will raise about 11.5 mn euro by the end of the first quarter of the fiscal 2010 in order to complete the first stage of its investment program.

The Group will immediately reduce its short term bank loan, and will complete the acquisition of General Trading in Italy during the first months of the fiscal 2010.

For the next stage of the investment program, we have assumed only bank loans since we do not have the required information regarding a potential new share capital increase in the coming year to include it in our model. The bank loan assumption, affects however the profitability of the Company. During the first half of the fiscal 2010, the Group will complete the necessary procedures to expand operations in Romania, Turkey and other countries in S.E. Europe, generating sales from the second half of the fiscal 2010.

**Working Capital:** With regard to current assets, inventory turnover ratio is calculated at 80 days (on average basis) during the period 2009-2015, from 84 days at the end of the fiscal 2008 assuming seasonal effects and a strategy for more rapid delivery of products. Customer turnover ratio is expected to account for approximately 90 days during the period 2009-2015 from 89 days (on average basis) during 2008, assuming at the same time the use of factoring to receivables.

We have also estimated that supplier's turnover ratio will remain close to 90 days from 91 days in 2008.

### Historic & Projected Balance Sheet Ratios

	2008	2009 E	2010 E	2011 E	2012 E	2013 E	2014 E	2015 E
Stock Days	84	80	80	80	80	80	80	80
Debtors Days	89	90	90	90	90	90	90	90
Creditors Days	92	90	90	90	90	90	90	90
Total Debt/ Total Equity	0.31	0.16	0.35	0.55	0.70	0.71	0.71	0.65
Bank Loans/ Total Equity	0.19	0.09	0.18	0.28	0.35	0.32	0.28	0.21
Current Ratio	1.05	1.03	1.78	1.40	1.32	1.37	1.45	1.58
Quick Ratio - Acid Ratio	0.99	0.98	1.67	1.34	1.25	1.32	1.38	1.50

Source: Company Data & VRS Projections.

### Historic & Projected P&L Ratios

	2008	2009 E	2010 E	2011 E	2012 E	2013 E	2014 E	2015 E
<b>Profit Margins</b>								
Gross Margin	18.67%	19.00%	20.00%	20.50%	21.00%	22.50%	22.50%	22.50%
EBITDA Margin	4.70%	4.87%	4.67%	6.15%	7.17%	9.69%	10.58%	11.22%
EBIT Margin	4.70%	4.75%	4.58%	6.07%	7.11%	9.63%	10.53%	11.18%
Pre-tax profit margin	0.27%	0.99%	1.50%	2.93%	4.01%	6.83%	7.93%	8.87%
Net Profit margin	0.07%	0.75%	0.95%	1.84%	2.52%	4.32%	5.05%	5.66%
OPEX on Sales	13.96%	14.13%	15.33%	14.35%	13.83%	12.81%	11.92%	11.28%

Source: Company Data & VRS Projections.

### Investment Risks / Mitigating Factors

The following table presents the major risk factors and considerations regarding Layton's operations in the broader economic environment as well as in consumer electronics sector.

Risks / Considerations	Mitigating Factors / Notes
Product manufacturing	Allocated to different factories No prevailing supplier exists Quality control and cost effective production / Own Hong Kong office
Technological advances and know how	It is widely spread among many manufacturers Schaub Lorenz has already adopted ecological policies
Average stock and debtor days	Layton's average stock settles at around 80 days with industry average at 90 days Debtors comprise leading retail chains in Greece and abroad
Personnel efficiency and dedication	Facilitated by the Group's structure (20 persons in sales) and the existence of stock option plan
Economic crisis / Housing market crisis	Gradual geographic expansion to a variety of developing and developed markets

### HISTORIC & PROJECTED PROFIT & LOSS ACCOUNT

<i>In EUR thous.</i>	2008	2009 E	2010 E	2011 E	2012 E	2013 E	2014 E	2015 E
<b>Turnover</b>	<b>27,202</b>	<b>23,907</b>	<b>73,762</b>	<b>114,567</b>	<b>150,390</b>	<b>178,857</b>	<b>206,049</b>	<b>230,693</b>
y-o-y Change %		-12.1%	208.5%	55.3%	31.3%	18.9%	15.2%	12.0%
<b>Cost of Sales</b>	22,123	19,364	59,010	91,081	118,808	138,614	159,688	178,787
% of Turnover	81.3%	81.0%	80.0%	79.5%	79.0%	77.5%	77.5%	77.5%
<b>Gross operating results</b>	<b>5,079</b>	<b>4,542</b>	<b>14,752</b>	<b>23,486</b>	<b>31,582</b>	<b>40,243</b>	<b>46,361</b>	<b>51,906</b>
% of Turnover	18.7%	19.0%	20.0%	20.5%	21.0%	22.5%	22.5%	22.5%
Other operating income	-2	0	0	0	0	0	0	0
Operating Expenses	3,798	3,379	11,306	16,440	20,796	22,916	24,571	26,014
% of Turnover	14.0%	14.1%	15.3%	14.4%	13.8%	12.8%	11.9%	11.3%
<b>EBITDA</b>	<b>1,279</b>	<b>1,163</b>	<b>3,447</b>	<b>7,046</b>	<b>10,786</b>	<b>17,327</b>	<b>21,790</b>	<b>25,892</b>
% of Turnover	4.7%	4.9%	4.7%	6.1%	7.2%	9.7%	10.6%	11.2%
Depreciation	0	27	70	90	95	100	100	100
Total Financial Expense	-1,206	-899	-2,269	-3,594	-4,656	-5,008	-5,341	-5,335
<b>Net Results Before Taxes</b>	<b>74</b>	<b>238</b>	<b>1,108</b>	<b>3,362</b>	<b>6,035</b>	<b>12,219</b>	<b>16,350</b>	<b>20,457</b>
% margin	0.3%	1.0%	1.5%	2.9%	4.0%	6.8%	7.9%	8.9%
Income Tax	54	59	277	841	1,509	3,055	4,087	5,114
Minority Rights	0	0	129	414	733	1,431	1,856	2,277
<b>Consolidated Net Results</b>	<b>20</b>	<b>178</b>	<b>702</b>	<b>2,108</b>	<b>3,793</b>	<b>7,733</b>	<b>10,406</b>	<b>13,065</b>
Net Margin	0.1%	0.7%	1.0%	1.8%	2.5%	4.3%	5.1%	5.7%
<b>Dividends</b>	<b>0</b>	<b>0</b>	<b>491</b>	<b>1,476</b>	<b>1,896</b>	<b>2,320</b>	<b>3,122</b>	<b>3,920</b>

Source: Company Data & VRS Estimates

## HISTORIC &amp; PROJECTED BALANCE SHEET

<i>In EUR thous.</i>	2008	2009 E	2010 E	2011 E	2012 E	2013 E	2014 E	2015 E
Net Intangible Assets	49,723	75,790	81,607	81,607	81,607	81,607	81,607	81,607
Tangible Assets	198	270	700	900	950	1,000	1,000	1,000
Accumulated depreciation	154	181	251	341	436	536	636	736
<b>Total Net Tangible Assets</b>	<b>44</b>	<b>89</b>	<b>449</b>	<b>559</b>	<b>514</b>	<b>464</b>	<b>364</b>	<b>264</b>
Financial Assets	133	133	143	150	158	166	174	183
<b>Total Fixed Assets</b>	<b>49,900</b>	<b>76,012</b>	<b>82,200</b>	<b>82,317</b>	<b>82,279</b>	<b>82,237</b>	<b>82,145</b>	<b>82,054</b>
% Total Assets	76.34%	85.47%	69.05%	59.41%	52.69%	48.83%	44.97%	42.17%
Inventories	5,111	4,244	12,934	19,963	26,040	30,381	35,000	39,186
Debtors	6,634	5,895	18,188	28,249	37,083	44,102	50,807	56,883
Other Receivables	2,791	2,086	3,456	5,367	7,046	8,379	9,653	10,808
Cash in bank and at hand	929	697	2,261	2,660	3,723	3,317	5,066	5,644
<b>Total Current Assets</b>	<b>15,465</b>	<b>12,923</b>	<b>36,838</b>	<b>56,240</b>	<b>73,892</b>	<b>86,179</b>	<b>100,526</b>	<b>112,521</b>
% Total Assets	23.66%	14.53%	30.95%	40.59%	47.31%	51.17%	55.03%	57.83%
<b>Total Assets</b>	<b>65,365</b>	<b>88,934</b>	<b>119,038</b>	<b>138,556</b>	<b>156,171</b>	<b>168,416</b>	<b>182,671</b>	<b>194,576</b>
Share capital	35,079	53,450	61,550	61,550	61,550	61,550	61,550	61,550
Share premium account	15,019	22,785	26,187	26,187	26,187	26,187	26,187	26,187
Reserves & Results Carried For.	-13	165	375	1,008	2,904	8,317	15,602	24,747
Minority Rights	0	0	129	543	1,276	2,278	3,577	5,171
<b>Shareholder's Equity</b>	<b>50,085</b>	<b>76,400</b>	<b>88,241</b>	<b>89,287</b>	<b>91,917</b>	<b>98,332</b>	<b>106,916</b>	<b>117,656</b>
% Total Equity & Liabilities	76.62%	85.91%	74.13%	64.44%	58.86%	58.39%	58.53%	60.47%
L-Term Liabilities	548	40	10,045	9,145	8,245	7,345	6,445	5,545
Suppliers	5,550	4,775	14,550	22,458	29,295	34,179	39,375	44,085
Banks	8,871	7,200	5,500	16,000	24,000	24,000	24,000	20,000
Taxes-duties	275	400	332	1,093	1,961	3,666	4,905	6,137
Sundry debtors	36	120	369	573	752	894	1,030	1,153
<b>Total Liabilities</b>	<b>15,280</b>	<b>12,534</b>	<b>30,797</b>	<b>49,269</b>	<b>64,254</b>	<b>70,084</b>	<b>75,755</b>	<b>76,920</b>
% Total Equity & Liabilities	23.38%	14.09%	25.87%	35.56%	41.14%	41.61%	41.47%	39.53%
<b>Total Equity &amp; Liabilities</b>	<b>65,365</b>	<b>88,934</b>	<b>119,038</b>	<b>138,556</b>	<b>156,171</b>	<b>168,416</b>	<b>182,671</b>	<b>194,576</b>

Source: Company Data &amp; VRS Estimates

## HISTORIC &amp; PROJECTED CASH FLOW

<i>In EUR thous.</i>	2009 E	2010 E	2011 E	2012 E	2013 E	2014 E	2015 E
Profit after tax	178	831	2,522	4,526	9,164	12,262	15,342
Plus: Change of Depreciation	27	70	90	95	100	100	100
<b>Gross Cash Flow</b>	<b>205</b>	<b>901</b>	<b>2,612</b>	<b>4,621</b>	<b>9,264</b>	<b>12,362</b>	<b>15,442</b>
<u>Change in:</u>							
(-) Trade Debtors	-739	12,293	10,061	8,833	7,019	6,705	6,077
(-) Inventory	-867	8,689	7,029	6,077	4,341	4,619	4,186
(-) Other Receivables	-705	1,370	1,912	1,678	1,334	1,274	1,155
(+) Trade Creditors	-775	9,776	7,908	6,837	4,884	5,196	4,709
(+) Liabilities for taxes	125	-68	760	869	1,704	1,239	1,232
Change in Working Capital	1,752	-12,390	-10,030	-8,604	-5,864	-5,926	-5,253
<b>Operating Cash Flow</b>	<b>1,957</b>	<b>-11,489</b>	<b>-7,418</b>	<b>-3,983</b>	<b>3,401</b>	<b>6,436</b>	<b>10,190</b>
<u>Change in:</u>							
(-) Intangible Assets	26,066	5,817	0	0	0	0	0
(-) Tangible Assets	72	430	200	50	50	0	0
(-) Other long - term receivables	0	11	7	8	8	8	9
(+) Other Long - term liabilities	0	0	0	0	0	0	0
(+) Cons. diff./ Minority Interests	0	129	414	733	1,002	1,299	1,594
<b>Cash Flow from Investment</b>	<b>-26,138</b>	<b>-6,129</b>	<b>207</b>	<b>676</b>	<b>944</b>	<b>1,291</b>	<b>1,585</b>
<b>Net Cash Flow Before Financing Activities</b>	<b>-24,182</b>	<b>-17,619</b>	<b>-7,211</b>	<b>-3,307</b>	<b>4,344</b>	<b>7,727</b>	<b>11,775</b>
Increase in Share Capital	18,371	8,100	0	0	0	0	0
Increase in Share Premium Account	7,766	3,402	0	0	0	0	0
Net Change in Reserves	0	0	0	0	0	0	0
Change in Long - Term Debt	-515	10,000	-1,000	-1,000	-1,000	-1,000	-1,000
Change in Short - Term Debt	-1,671	-1,700	10,500	8,000	0	0	-4,000
<b>Dividends</b>	<b>0</b>	<b>491</b>	<b>1,476</b>	<b>1,896</b>	<b>2,320</b>	<b>3,122</b>	<b>3,920</b>
Minority Interests on Profit	0	129	414	733	1,431	1,856	2,277
<b>Net Cash Flow from Financing</b>	<b>23,951</b>	<b>19,182</b>	<b>7,611</b>	<b>4,370</b>	<b>-4,751</b>	<b>-5,978</b>	<b>-11,197</b>
<b>Cash at Beginning</b>	<b>929</b>	<b>697</b>	<b>2,261</b>	<b>2,660</b>	<b>3,723</b>	<b>3,317</b>	<b>5,066</b>
<b>Change in Cash</b>	<b>-231</b>	<b>1,563</b>	<b>399</b>	<b>1,063</b>	<b>-407</b>	<b>1,749</b>	<b>578</b>
<b>Cash at End</b>	<b>697</b>	<b>2,261</b>	<b>2,660</b>	<b>3,723</b>	<b>3,317</b>	<b>5,066</b>	<b>5,644</b>

Source: Company Data &amp; VRS Estimates.

Notes

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Value Invest - [www.valueinvest.gr](http://www.valueinvest.gr)

Investment Research & Analysis Journal – [www.iraj.gr](http://www.iraj.gr)

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- Level of supply
- Interest rates

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- Macroeconomic environment
- Corporate Earnings
- Interest rates
- Financing mechanisms offered
- Returns on other types of assets
- Legal and tax legislation

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#### **VRS Equity Research Team**

Nicholas Ir. Georgiadis  
Christophoros J. Makrias  
Zoe D. Vassiliou  
Artemis G. Panagiotopoulou  
Maria Papadopoulou

#### **VRS Academic Research Team**

Dr. Ioannis G. Asimakopoulos  
Dr. Efstratios S. Livanis

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