The Fantastic Company Group

Half-year financial report 2012

Addresses

The Fantastic Company AG

Company office:
Obmoos 4
CH-6301 Zug
Switzerland

Subsidiaries

The Fantastic TM GmbH
Obmoos 4
CH-6301 Zug
Switzerland

Corporate Equity Direct GmbH
Obmoos 4
CH-6301 Zug
Switzerland

SICARA FASHION ACCESSORIES SARL
ZA des Marchais – 7, Rue des Peupliers
F-77590 Bois le Roi
France

Legal Notes

Advice on statements relating to the future

This Half-year Financial Report reflects the position of The Fantastic Company Group on June 30, 2012.

Where this was possible, current developments have also been reported upon. However, the Half-year Financial Report also contains forward-looking statements which refer to future events or future financial developments. Such future-related statements are characterized by terms such as “will”, “expects”, “could”, “estimates”, “plans”, “intends”, “is of the opinion”, “predicts” or similar. Statements relating to the future include uncertainties, known and unknown risks and/or other factors, that could lead, individually or in their interaction, to a situation in which the actual financial situation and/or the actual results, performance or similar of The Fantastic Company Group differ from what is directly or implicitly expected in the statements relating to the future. The possible deviations may even be substantial in scope.

Factors that have an influence on the actual development of The Fantastic Company Group are for example the development of the market, the general economic situation in the countries and industries in which The Fantastic Company Group is active, the hiring or losing of qualified employees, fluctuations in currency exchange rates, alterations in legislation and/or the regulatory environment, including taxation law, and also terrorist attacks, force majeure, acts of war, plague, civil unrest, etc.*

The Fantastic Company Group explicitly warns investors against placing undue reliance on statements relating to the future. These only reflect the opinion of management at the point in time that this half-year annual report was drawn up. The Fantastic Company Group accepts no obligation to realize or adhere to these future-related statements.

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* This list is only intended to give examples and is by no means complete.

Group Summary (according to IFRS)

EARNINGS SITUATION	01.01. – 06.30.2012 EUR	01.01. – 06.30.2011 EUR
Sales revenues	2,444,747	0
Gross Profit	1,673,822	0
Operating Result (EBIT)	-446,041	-212,919
Net profit or loss for the period	-427,175	-212,279
Overall result	-422,770	-190,175

CASH FLOW	EUR	EUR
Cash flow from current business activities	-1,394,242	-221,131
Cash flow from investment activities	-455,248	-1,162
Cash flow from financing activities	1,513,357	0
Profits / Losses due to exchange rate fluctuations	4,405	22,948
Increase/Decrease in cash or cash equivalents	-331,728	-199,345
Consolidation-related changes in financial funds	135,415	0
Current assets at the end of the first half-year	509,755	951,151

ASSET/CAPITAL STRUCTURE	06.30.2012 EUR	12.31.2011 EUR
Long-term assets (fixed assets)	3,478,045	19,560
Short-term assets (current assets)	3,312,137	722,347
Current Liabilities	4,266,385	113,894
Long-term Liabilities	660,278	0
Equity capital	1,863,519	628,013
Equity Ratio	27.4%	84.6%
Total Assets	6,790,182	741,907

Table of Contents

T|F|C

Report of the Board of Directors

Dear Shareholders,
Dear Friends of the Company,

During the past first half year, the acquisition of a majority stake in SICARA FASHION ACCESSORIES SARL (referred to in the following as SICARA) caused the group's figures to decrease. SICARA is active in the distribution of fashion accessories, primarily sun and reading glasses, through 'grand distribution' in France. In addition, the company has acquired exclusive distribution of fashionable casual shoes by the Italian market leader, De Fonseca, to French supermarket chains and specialty sporting goods stores, which should reduce the former heavy dependence on summer business.

The acquisition of SICARA significantly changed the business of The Fantastic Company Group (abbreviated as "FANTASTIC" or "TFC"), which had no operational business activity during recent years. Since March 1, 2012, SICARA has achieved net sales (after deduction of provisions for corresponding returns and discounts) in the amount of TEUR 2,445. Due to an unusually rainy summer through mid July, 2012 – the worst summer in 40 years in France – sales and earnings performance, especially in Brittany and Normandy, remained short of our expectations.

The purchase price allocation applied for the first half year of 2012 remains preliminary at the time of the balance sheet date. At the end of May 2012, the detailed work of determination of market values for the purchase price allocation began, which were able to revise the preliminary figures.

SICARA has been through a difficult period; a fact that opened up the opportunity for participation by TFC under attractive terms, namely below the nominal value of equity. However, the most important restructuring measures have already been implemented. Upon acquisition of an interest, a comprehensive post-merger improvement program was initiated that includes all business areas and is designed for a period of one year. In recent months, we have worked intensely on improving the product sortiment, brand segmentation, as well as on improving the sales. A number of other improvement projects have been identified in co-operation with SICARA management and set into motion, in particular a major growth initiative including hiring new employees and revising the report system. In addition, preparations were made to change the legal form of SICARA in the second half year to a small public limited company ("société par actions simplifiée") with corresponding Corporate Governance regulations.

Special items in the first half year of 2012 are included in costs for capital measures, transaction costs for accountants and solicitors for acquisition and the initial consolidation of SICARA, as well as costs for renaming the company and for the new website.

After acquiring SICARA, we re-implemented our original legal name to externally document the switch to a Fashion-Holding, which would like to grow organically and through additional acquisitions. We are already holding interesting acquisition meetings with leading brand name companies in our segment.

Notes to the Consolidated Interim Financial Statements as of June 30, 2012

With the majority takeover and consolidation of SICARA FASHION ACCESSORIES SARL, the figures of The Fantastic Company Group now shows again, for the first time in several years, an operative business. Based on this, the Board of Directors indicates that the figures cannot be compared to those of the previous year's half year (statement of comprehensive income and cash flow account) or to those of the balance sheet date of 31 December, 2011 (balance sheet).

On the asset side of the balance sheet, both long-term and current assets were significantly increased through the consolidation of SICARA. Long-term assets, that only played a secondary role on December 31, 2011 at EUR 19,560 or 2.6% of total assets, increased by EUR 3,458,485 or 17,681.4% to EUR 3,478,045. By far the largest long-term asset items are sites and buildings at EUR 2,200,000 and the valuation of the customer base arising from the majority acquisition of SICARA at EUR 807,612. In addition, deferred tax assets were assessed at EUR 219,170 and other financial assets and loans at EUR 118,987. All of these items showed a value of EUR 0 on December 31, 2011.

In addition to long-term assets, current assets also increased significantly and rose by EUR 2,589,790 or 358.5% from EUR 722,347 to EUR 3,312,137.
Here, trade receivables increased to EUR 1,581,562 and inventory to EUR 1,051,837 (both items equalled EUR 0 on 31 December 2011). The other receivables from third parties increased by EUR 117,658 (819.1%) from EUR 14,364 to EUR 132,022. Accrued income rose to EUR 17,765 from EUR 1,915 on December 31, 2011. At EUR 509,755, liquid assets were EUR 196,313 or 27.8% lower the total of EUR 706,068 on December 31, 2011.

On June 30, 2012, the balance sheet total amounted to EUR 6,790,182, and thus EUR 6,048,275 or 815.2% higher than the amount at the close of fiscal year 2011 (EUR 741,907).

As of June 30, 2012. the short-term liabilities of The Fantastic Company Group reached EUR 4,266,385 or 62.8% of the balance sheet total. Compared to December 31, 2011, this represented an increase of EUR 4,152,491 or approximately 3,645.9%. The largest individual item with short -term liabilities are the other provisions at EUR 2,756,156 (December 31, 2011: EUR 0). These are primarily related to SICARA's estimated product returns and quantity rebates and are generated in conjunction with the determination of net sales.

Liabilities from Deliveries and Services stood at EUR 835,695 and were thus EUR 826,092 above the value for December 31, 2011 (EUR 9,603). Other liabilities are shown as EUR 371,000

(December 31, 2011: EUR 7,053) and tax liabilities at EUR 262,174 (December 31, 2011: EUR 1,525). Accrued liabilities stood at EUR 41,360 following EUR 95,713 on December 31, 2011.

The Fantastic Company Group again shows long term liabilities at the end of the first half year of 2012. This stood at EUR 660,278 or 9.7% of the balance sheet total and consists solely of deferred tax liabilities.

The equity capital of The Fantastic Company Group increased by EUR 1,235,506 or 196.7% from EUR 628,013 to EUR 1,863,519. Although the share capital was reduced to EUR 626,342 by the capital reduction and subsequent capital increase of EUR 1,438,190 resolved by the extraordinary general meeting in February 2012, this also eliminated the original loss carry forward of EUR 1,101,046. Instead, the equity capital now has retained earnings in the amount of EUR 548,259. For the first time, minority interests (EUR 345,561) were also identified in the acquisition of the majority of SICARA. Currency differences of EUR 770,532 had a positive effect on the Group's equity capital while the loss for the period impacted equity capital by EUR 427,175.

The equity ratio was 27.4% compared with 84.6% on December 31, 2011.

The **statement of comprehensive income** of The Fantastic Company Group shows SICARA's pro-rata sales since the majority interest acquisition in the March of 2012. They stood at EUR 2,444,747 for a period of four months in the first half year. With expenses of EUR 770,925 provided for the achievement of sales revenue, gross profit from sales reached EUR 1,673,822. During the comparative time period (the first half year of 2011), the values of these positions stood at EUR 0.

Personnel costs increased considerably by EUR 812,317 or 728.6% % from EUR 111,490 to EUR 923,807. Expenses for administration and general costs also climbed considerably and reached EUR 183,461 (first half year, 2011: EUR 99,316). This represents an increase of EUR 84,145 or 84.7%. The costs of distribution and marketing reached EUR 893,607. (EUR 0 in the same period of the previous year). In addition, costs for capital measures accrued in the first half year to the amount of EUR 89,024 (first half year 2011: EUR 0). Total operating costs increased by EUR 1,879,093 or 891.4% % from EUR 210,806 in the first half year of 2011 to EUR 2,089,899.

The operating loss before depreciations stood at EUR -416,077, after it stood at EUR -210,806 in the previous year's comparative time period. The depreciations increased by EUR 27,851 or 1,318.1% from EUR 2,113 to EUR 29,964. Operating results stood at EUR -446,041 following EUR -212,919 in the first half year of 2011.

The financial result for the first half year of 2012 stood at EUR -6,026 after being slightly positive at EUR 640 in the prior year's comparison period.

The Fantastic Company Group showed results before taxes with EUR –452,067 (first half year of 2011: EUR -212,279). Tax credits reduced the period loss by EUR 24,892 (EUR 0 in the previous year's comparative time period). The period loss reached EUR 427,175 following EUR 212,279 in the first half year of 2011.

As a result of positive currency differences amounting to EUR 4,405 (previous year's comparison period: EUR 22,104) The Fantastic Company Group overall result for the first half year is EUR –422,770. Compared with the first half year of the previous fiscal year (overall result: EUR –190,175) this means a decrease in results of EUR 232,595.

The cash flow statement shows an decrease in liquid assets of EUR 331,728 and consolidation-related changes in financial funds of EUR 135,415. In total, the Group's liquid assets sank by EUR 196,313 from EUR 706,068 to EUR 509,755. The cash outflows from ongoing business activities increased considerably from EUR 221,131 in the previous year's comparison half year to EUR 1,394,242 (an increase of EUR 1,173,111 or 530.5%). Primarily caused by the majority acquisition of SICARA, the cash outflow from investment activity also grew from EUR 1,162 to EUR 455,248 (an increase of EUR 454,086 or 39,078.0%%). However, these cash outflows were offset by cash inflows from financing activities in the amount of EUR 1,513,357 (prior year's comparison period: EUR 0) that essentially originated in a Corporate Equity Partners AG capital increase of EUR 1,159,783.

The Board of Directors thanks all business partners, friends, and shareholders of the company for the trust placed in them. We will continue to work hard in the future to justify the trust placed in us and to continue to increase the corporate value of TFC.

Zug, August 31, 2012

Oliver Krautscheid
President of the Board of Directors

Roger Meier
Vice President of the Board of Directors

Markus Gildner
Member of the Board of Directors

Interim Financial Statements of The Fantastic Company Group

as of 30 June 2012

This half-year financial report has not been audited, nor has it been examined by the auditor

Interim Consolidated Balance Sheet

ASSETS

	Reference to the Appendix	30 June 2012 EUR	31 December 2011 EUR
Short-term assets (current assets)			
Liquid Assets	6	509,755	706,068
Trade Accounts Receivable		1,581,562	0
Receivables from Related Parties		19,196	0
Receivables from Third Parties		132,022	14,364
Inventory		1,051,837	0
Accrued income		17,765	1,915
Total Current Assets		***3,312,137***	***722,347***
Long-term assets (fixed assets)			
Deferred taxes		219,170	0
Other financial assets and loans		118,987	0
FIXED ASSETS			
Property		2,200,000	0
Furniture and equipment		11,898	9,994
EDP equipment		76,907	9,565
INTANGIBLE ASSETS			
Goodwill		25,538	0
Customer base		807,612	0
Rights and Licenses		17,933	1
Total long-term assets		***3,478,045***	***19,560***
TOTAL ASSETS		**6,790,182**	**741,907**

LIABILITIES

	Reference to the Appendix	30 June 2012 EUR	31 December 2011 EUR
Current Liabilities			
Reserves		2,756,156	0
Liabilities from Deliveries and Services		835,695	9,603
Other Liabilities		371,000	7,053
Tax Liabilities		262,174	1,525
Accrued Liabilities		41,360	95,713
Total Current Liabilities		***4,266,385***	***113,894***
Long-term Liabilities			
Deferred taxes		660,278	0
Total Long-term Liabilities		***660,278***	***0***
Equity capital			
Share Capital	7/8	626,342	1,438,190
Currency differences		770,532	766,127
Balance sheet loss			
Profit / Loss Brought Forward		548,259	-1,101,046
- Net loss for the period		-427,175	-475,258
Minority interests		345,561	0
Total Equity Capital		***1,863,519***	***628,013***
TOTAL LIABILITIES		**6,790,182**	**741,907**

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Statement of Comprehensive Income

	Reference to the Appendix	Jan. 1 – June 30, 2012 EUR	Jan. 1 – June 30, 2011 EUR
Sales revenues		2,444,747	0
Cost of Services Provided		-770,925	0
Gross Profit		***1,673,822***	***0***
Personnel Costs		-923,807	-111,490
Distribution and Marketing		-893,607	0
Administration and General Costs	5	-183,461	-99,316
Costs for Capital Measures		-89,024	0
Other Operational Costs		0	0
Total Operating Expenses		**-2,089,899**	**-210,806**
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)		***-416,077***	***-210,806***
Depreciation		-29,964	-2,113
Operating Result (EBIT)		***-446,041***	***-212,919***
Financial Income		173	644
Financial Expenses		-4,595	-441
Capital Gains/Losses (net)		-1,604	437
Total financial result		**-6,026**	**640**
Pre-Tax Profit/Loss		***-452,067***	***-212,279***
Taxes		24,892	0
Net loss for the period		***-427,175***	***-212,279***
Undiluted and diluted result per share		**-0.0053**	**-0.0303**

Number of shares (weighted average): 80,298,800 (previous year: 7,016,400)

NET LOSS FOR THE PERIOD	***-427,175***	***-212,279***
Other Results		
- Currency differences	4,405	22,104
OVERALL RESULT	***-422,770***	***-190,175***

Consolidated cash flow statement

	Reference to the Appendix	Jan. 1 – June 30, 2012	Jan. 1 – June 30, 2011
Cash-Flow from Current Business Activity:		EUR	EUR
Pre-tax loss for the period		-452,067	-212,279
Reconciliation of loss in period to cash outflow from current business activities:			
Depreciation		29,964	2,113
Financial Income		-173	-644
Financial Expenses		4,595	441
Decrease / Increase in Short-term Inventory		510,558	0
Decrease / Increase in Trade Accounts Receivable		-1,469,147	0
Decrease / Increase in other Short-term Receivables		47,118	-15,281
Decrease / Increase in Trade Accounts Payable		-1,137,150	4,316
Decrease / Increase in other Short-term Liabilities		927,461	0
Income tax expense/income		24,892	0
Deposit of Income Taxes		124,129	0
Paid interest and dividends		-4,595	-441
Received interest and dividends		173	644
Cash Inflow (Outflow) from Current Business Activity		***-1,394,242***	***-221,131***
Cash-Flow from Investment Activity:			
Investments in movable tangible assets		-2,333	-1,162
Investments in financial tangible assets		-99,974	0
Investments in equity interests		-352,941	0
Cash Inflow (Outflow) from Investment Activity		***-455,248***	***-1,162***
Cash-Flow from Financing Activity:			
SICARA share capital increase (third parties)		353,574	0
Capital increase		1,159,783	0
Cash Inflow (Outflow) from Financing Activity		***1,513,357***	***0***
Profits / Losses due to exchange rate fluctuations		4,405	22,948
Increase /Decrease in Cash or Cash Equivalents		**-331,728**	**-199,345**
Consolidation-related changes in financial funds		**135,415**	**0**
Liquid assets at start of period		**706,068**	**1,150,496**
Liquid assets at end of period		**509,755**	**951,151**

Changes in shareholders' equity

All figures in EUR

Equity capital	Share Capital	Currency differences	Loss carried forward	Minority interest	Total Equity Capital
Status as of 01.01.2011	**1,438,190**	**745,153**	**-1,101,046**		**1,082,297**
Positions from the overall results:					
- Currency differences		22,104			22,104
- Net loss for the period			-212,279		-212,279
Overall result		**22,104**	**-212,279**		**-190,175**
Status as of 06.30.2011	**1,438,190**	**767,257**	**-1,313,325**		**892,122**

Equity capital	Share Capital	Currency differences	Retained | earnings	Minority interest	Total Equity Capital
Status as of 01.01.2012	**1,438,190**	**766,127**	**-1,576,304**		**628,013**
Capital decrease	-1,971,631		1,971,631		0
Capital increase	1,159,783				1,159,783
Positions from the overall results:					
- Currency differences		4,405			4,405
- Net loss for the period			-427,175		-427,175
Overall result		**4,405**	**-427,175**		**-422,770**
Minority interest			4,707	-4,707	0
Non-controlling interests in equity capital			148,225	350,268	498,493
Status as of 06.30.2012	**626,342**	**770,532**	**121,084**	**345,561**	**1,863,519**

Notes on the Consolidated Interim Financial Statements

1. Business Activity

The Fantastic Company AG is a Swiss Public Limited Company, whose head office is located at Obmoos 4 in Zug.

With the majority takeover and consolidation of SICARA FASHION ACCESSORIES SARL, the figures of The Fantastic Company Group now shows again, for the first time in several years, an operative business. Based on this, the Board of Directors indicates that the figures cannot be compared to those of the previous year's half year (statement of comprehensive income and cash flow account) or to those of the balance sheet date of 31 December, 2011 (balance sheet).

2. Main Valuation and Accounting Methods

Preparation of the Consolidated Financial Statements
These Consolidated Interim Financial Statements, which have not been audited or reviewed by an auditor, were prepared in accordance with the generally recognized principles of International Accounting Standard (IAS) 34 "Interim Financial Reporting". The valuation and balance sheet methods were the same as those used in the 2011 consolidated financial statements. The reporting currency is the Euro since the Company will primarily generate revenue in Euro in its future business activities.

Consolidated group
These Consolidated Interim Financial Statements, which have not been audited or reviewed by an auditor, include the following companies: "The Fantastic Company AG" and its subsidiaries, "The Fantastic TM GmbH", "Corporate Equity Direct GmbH" and “SICARA FASHION ACCESSORIES SARL” (together the "Group”).

The Fantastic Company AG	Switzerland	Holding
The Fantastic TM GmbH	Switzerland	100%
Corporate Equity Direct GmbH	Switzerland	100%
SICARA FASHION ACCESSORIES SARL	France	79%

Consolidation Principles

The capital consolidation is carried out in accordance with IFRS 3 (revised 2008), which had to be applied for the first time beginning in the 2010 business year.

Business acquisitions are accounted for using the purchase method of accounting which requires that the assets and liabilities acquired be recorded at their fair value on the date that effective control is gained.

Application of the purchase method requires certain valuations and judgements, particularly with respect to the fair market value of intangible assets and property, liabilities assumed at the time of acquisition and the useful life of the intangible assets and property acquired.

In a progressive company acquisition, the previously acquired company shares are revalued at fair market value on the date that effective control is gained. The difference between the newly evaluated carrying amount in the subsidiary company and the pro rated, newly-evaluated net assets of the subsidiary is treated as goodwill.

Liabilities recognized on the acquisition date for future purchase price adjustments due to future events are no longer adapted to goodwill without consideration of impact on income.

The incidental acquisition costs are recognized immediately.

The acquisition costs of the purchased interest are set off against the fair value of subsidiaries' pro-rated equity capital as part of the capital consolidation. A difference between the acquisition costs and the fair value of pro-rated equity capital is assigned to the subsidiary's assets, liabilities and contingent liabilities. Remaining asset balances are shown as goodwill under the intangible portion of fixed assets. Liability balances are immediately posted. As part of deconsolidation, the residual book value of goodwill and the negative balances are taken into account in the calculation of profit or loss on disposal.

Revenue recognition
Revenues are recognized at the time of delivery of goods and acceptance of services by the customer.

Liquid Assets
The company treats all capital investments with high fungibility and a due date of up to three months from the date of acquisition as liquid assets.

Reserves
Reserves are all current liabilities whose due date and amount cannot be finally evaluated and whose cause lies in the past. Management has estimated the value of reserves and their likelihood of occurrence to the best of its knowledge.

Pension Obligations
Staff pensions are calculated according to the regulations and customs of the countries where individual companies are located. Employees meeting the eligibility criteria are enrolled in an insurance company pension plan which includes insurance coverage for pension, disability and death. The contributions of the occupational pension plan are paid by the employer and employees in accordance with the laws and regulations outlined in the respective codes of conduct.

Due to statutory guarantees, most pension plans of The Fantastic Company Group are classified under IAS 19 as performance-oriented. The pension scheme commitments will be recalculated actuarially at the end of the fiscal year.

Tangible assets
Tangible assets are valued in accordance with IAS 16 at the lower of either the cost of acquisition or cost of production. Maintenance, repair and renovation costs are deducted from net income, whereas significant acquisitions of fixed assets are reflected in the balance sheet. Acquisition costs and accumulated depreciation relating to the retirement of these fixed tangible assets are netted off. Profits and losses resulting from the retirement of fixed tangible asset items are recorded in the statement of comprehensive income. Tangible assets are depreciated on a linear basis over the period of their anticipated life.

Customer base
The acquired value of the established customer relationships is entered as the customer base and is depreciated in the following years over the expected useful life.

Conversion of Foreign Currencies and Currency Differences
The accounting of the Group companies is carried out in the currency of the economic region in which the particular company is primarily active (functional currency). Currently, these are the Swiss franc (CHF) and the euro (EUR).

Transactions in foreign currencies are converted into the functional currency at the exchange rates that were applicable on the day of the transaction, or, if need be, at the average rate for the month. Balance sheet items in foreign currency are converted at the period-end exchange rate on the balance sheet date. Profits and losses from foreign currency transactions and from the revaluation at the period-end exchange rate are recorded as affecting net income.

The consolidated accounts are presented in Euro (presentation currency). The annual reports of the Group companies that do not show the EUR as the functional currency are converted at the exchange rates valid on the balance sheet date, using the cut-off date method (balance sheet items at the exchange rate on the cut-off day, statement of comprehensive income at the average exchange rate of the period). The resulting conversion differences are shown in the equity capital and are only recorded as affecting net income in the case of a possible deconsolidation of the Group company.

Income Taxes
Income taxes include all taxes that are applied to the taxable profit of the Company and its subsidiaries. Deferred taxes on as-yet unused tax losses carried forward have – in accordance with IAS 12.24 and IAS 12.35 – not been recorded for individual companies of The Fantastic Company Group with exception of SICARA, because the utilization of such amounts cannot be determined with sufficient certainty.

Credit risks
Financial instruments that may represent a substantial credit risk to the company mainly relate to liquid assets and trade accounts receivable. The company holds cash deposits at various financial institutions. The company tries to minimize the risk of dependence on a single credit institute.

Market value of financial instruments
The book value of financial instruments such as liquid assets, receivables and liabilities primarily corresponds to the market value on account of the short due dates of these financial instruments.

3. Main Causes of Estimation Uncertainties

The preparation of the Consolidated Interim Financial Statements in accordance with the principles of proper accounting calls for estimates and assumptions by the company's Board of Directors. These estimates and assumptions may have an influence on the figures in the Consolidated Interim Financial Statements and on the related Notes. The actual results may differ from the estimates and assumptions made by the Board of Directors.

In the initial consolidation of SICARA, monthly data for the balance sheet and income statement were accepted that have not yet been reviewed by the auditor. In addition, due to the short time between acquisition and the reporting date, preliminary and estimated values had to be shown for the purchase price allocation that still have to be reviewed and corrected if necessary.

4. Legal Disputes

The Group and its affiliated companies were not party in any court proceedings nor were they party to legal claims during the reporting period.

5. Business Transactions with Related Parties

According to IAS 24, relationships and business transactions with commercially related companies and natural persons shall be stated since their relationship can have an effect on the asset, financial, and revenue situation of the Group.

Salaries of Board Members and Management
All figures in EUR

	01.01.2012 – 06.30.2012			
	Oliver Krautscheid President of the Board of Directors	Roger Meier Member of the Board of Directors	Markus Gildner Member of the Board of Directors	**Total**
Salaries	0	0	0	**0**
Board of Director's fees	51,968	9,958	34,006	**95,932**
Consultancy Fees	0	0	0	**0**
Pension Contributions	1,735	0	1,322	**3,057**

	01.01.2011 – 06.30.2011			
	Oliver Krautscheid President of the Board of Directors	Roger Meier Member of the Board of Directors	Markus Gildner Member of the Board of Directors	**Total**
Salaries	0	0	0	**0**
Board of Director's fees	45,906	9,454	28,897	**84,257**
Consultancy Fees	0	0	0	**0**
Pension Contributions	1,619	0	1,337	**2,956**

Other payments to related parties

	01.01.2012 – 06.30.2012		01.01.2011 – 06.30.2011	
Fees Erne Meier Mongiovì [1)]	EUR	30,300	EUR	0
Fees Lutz RA [2)]	EUR	0	EUR	23,827
Fees Global Agenda GmbH [3)]	EUR	20,704	EUR	0
Total	**EUR**	**51,004**	**EUR**	**23,827**

[1] Mr. Roger Meier, member of the Board of Directors, has been a partner in the law firm of "Erne Meier Mongiovì Rechtsanwälte" since July 1, 2011.

[2] Mr. Roger Meier, member of the Board of Directors, was a partner in the law firm of "Lutz Rechtsanwälte" until June 30, 2011.

[3] "The Fantastic Company Group" has closed, as of 1 April 2012, a media consulting contract with Global Agenda GmbH. Its term is 24 months and it ends on 31 March 2014. Mr Roger Meier, member of the Board of Directors, is an unsalaried General Manager of Global Agenda GmbH.

6. Liquid Assets

	06.30.2012		12.31.2011	
Current account deposits	EUR	509,755	EUR	49,012
Money market fund deposits [1]	EUR	0	EUR	657,056
Total current assets	**EUR**	**509,755**	**EUR**	**706,068**

[1] The money market fund has a duration of less than 3 months and is therefore viewed, in accordance with IFRS, as a cash equivalent.

7. Share Capital

	06.30.2012	12.31.2011
Number of registered shares	147,344,400	7,016,400
Number of authorized shares [1]	3,400,000	3,400,000
Number of conditional shares [2]	1,200,000	1,200,000
Par value per share (CHF)	0.01	0.35
Share capital in EUR [3]	626,342	1,438,190

[1] In accordance with Articles 651 and 652b, Para. 2 OR (Swiss Code of Obligations), the Board of Directors is authorized to increase the share capital at any time up to June 28, 2013 by a maximum amount of CHF 34,000 by issuing a maximum of 3,400,000 fully paid up, transferable shares with a nominal value of CHF 0.01 per share. Increases by means of underwriting or installments are permitted. The subscription rights of the shareholders are suspended with respect to these shares.

[2]The Company's share capital can be increased by issuing a maximum of 1,200,000 fully paid up transferable shares with a nominal value of CHF 0.01 per share up to a maximum amount of CHF 12,000 by the exercise of warrants which are granted to the Board of Directors and employees of the company or its subsidiaries based on one or several employee stock purchases plans approved by the Board of Directors. The subscription rights of the shareholders are suspended with respect to these shares.

[3)] The Company's share capital will be converted at the market price on the date of the capital transaction.

8. Capital Measures in the Report Year 2012 (reorganization)

With the shareholders' decision at the Extraordinary General Meeting on February 10, 2012, the following capital measures were implemented in the first quarter of 2012:

1. Decrease of equity capital
By reducing the nominal value of each bearer share from CHF 0.35 to CHF 0.01 the company's equity capital was reduced by CHF 2,384,576 and the adverse balance caused by the company's losses was eliminated.

2. Increase in share capital by cash capital increase
The share capital was increased by a cash capital increase of CHF 1.4 million through issue of new bearer shares with a nominal value of CHF 0.01 per share. Liquid assets flowed to the company in the same amount and the company's balance sheet equity capital at the end of the period, following valid registration of the capital measures on March 26, 2012 in the commercial register of the canton of Zug, amounted to CHF 1,473,444, consisting of 147,344,400 transferable shares at CHF 0.01 each.

9. Events After The Accounting Cut-off Date

None

10. Approval by the Board of Directors

The Board of Directors approved the Consolidated Interim Financial Statements for publication on August 31, 2012.

11. Legally Binding Version

These Consolidated Interim Financial Statements appear in German and English. Only the German version is legally binding. The English version is a translation.

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