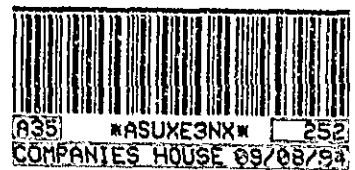


Company Registration Number: 2800028
Registered in England and Wales

CD RETAIL LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE PERIOD 16TH APRIL 1993
(INCORPORATION)
TO 31ST DECEMBER 1993



CD RETAIL LIMITED

REPORT OF THE DIRECTORS

FOR THE PERIOD ENDED 31ST DECEMBER 1993

The directors present herewith their first annual report for the period ended 31st December 1993 and report as follows:-

INCORPORATION AND TRADING

The company was incorporated on 10th April 1993 under the name of 'Tentie Limited' and later changed its name to 'CD Retail Limited' in September 1993. The company commenced trading as 'Christian Dior' at the Sloane Street premises during August 1993 having entered into a Franchise Agreement with "Christian Dior SA" for the period to 31st December 1998.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company operates a boutique at 22 Sloane Street, London SW1 retailing fashion wear, related accessories and perfumes under the "Christian Dior" label.

The directors consider the level of business for this first period and the financial position at the end of the period to be satisfactory.

DIRECTORS

The directors who have served during the period together with their beneficial interests in the ordinary shares of the company were as follows:-

	£1 Ordinary Shares	
	@ 31st December 1993	On incorporation (or on appointment) (if later)
Philippe Roger Spiette (French) (appointed 12/08/93)	-	-
Mrs Anita Smaga (French) (appointed 23/08/93)	-	-
Philippe Vindry (French) (appointed 23/08/93; resigned 04/11/93)	-	-
Francois Baufume (French) (appointed 04/11/93)	-	-

RESULTS

The results for the period are as shown on page 4 of the accounts.

DIVIDEND

The directors do not recommend the payment of any dividend.

CD RETAIL LIMITED

2

REPORT OF THE DIRECTORS (continued)

FOR THE PERIOD ENDED 31ST DECEMBER 1993

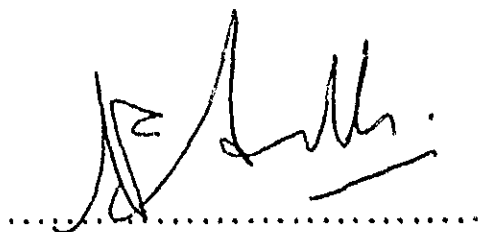
FIXED ASSETS

Movements in fixed assets during the period are set out in the notes to the accounts.

AUDITORS

Messrs Summers Morgan & Co replaced Wilkins Kennedy as auditors for the period and a resolution to re-appoint Messrs Summers Morgan & Co for the ensuing year will be proposed at the Annual General Meeting in accordance with S.385 of the Companies Act 1985.

BY ORDER OF THE BOARD



A handwritten signature, possibly reading 'J. L. L.', is written over a dotted line.

AUDITORS' REPORT TO THE SHAREHOLDERS

OF CO RETAIL LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to:-

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

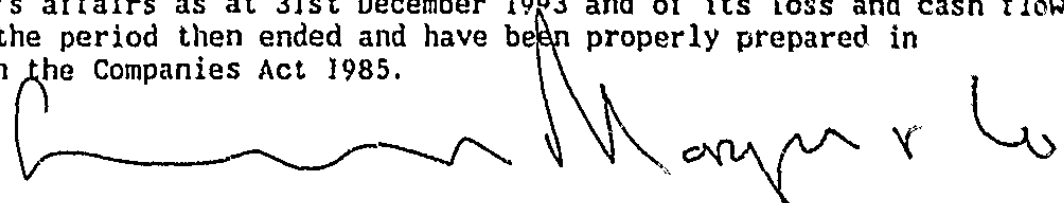
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1993 and of its loss and cash flow statement for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

1st Floor
Sheraton House
Lower Road
CHORLEYWOOD
Herts
WD3 5LH


SUMNER MORGAN & CO.

Chartered Accountants
Registered Auditor

19th July 1994

CP RETAIL LIMITED

4

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31ST DECEMBER 1993

	Notes	1993 £
Turnover	6	498,624
Cost of sales		307,070

		191,554
ADMINISTRATIVE EXPENSES		(359,347)

OPERATING LOSS	7	(167,793)
Interest receivable		3,727
Interest payable and similar charges	8	(286)

(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(164,352)
TAXATION	9	-

(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(164,352)
Balance brought forward		-

Balance carried forward		£ (164,352)
		=====

All items dealt with in arriving at the operating loss for the period relate to continuing activities.

The company has no recognised gains and losses for the period other than the loss for the financial period as stated above.

The notes on pages 7 to 9 form part of these accounts.

CD RETAIL LIMITED

5

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31ST DECEMBER 1993

	1993	
	£	£
Net cash outflow to operating activities		(104,256)
Interest receivable	3,727	
Interest payable	(286)	
Proceeds from issue of shares	700,000	
Investing activities		
Payments to acquire tangible fixed assets	(300,589)	
		402,852
Increase in cash and cash equivalents	£	298,596

NOTE TO THE CASH FLOW STATEMENT

1. RECONCILIATION OF OPERATING LOSS
TO NET CASH OUTFLOW FROM OPERATING
ACTIVITIES

Operating loss before tax and interest		(167,793)
Depreciation	19,618	
(Increase) in stocks	(112,449)	
(Increase) in debtors	(47,056)	
Increase in creditors	203,424	
		63,537
Net cash outflow to operating activities	£	(104,256)

2. ANALYSIS OF CHANGES IN CASH AND CASH
EQUIVALENTS DURING THE PERIOD

Balance as at 16th April 1993		-
Net cash inflow		298,596
Balance as at 31st December 1993	£	298,596

3. ANALYSIS OF THE BALANCES OF CASH
EQUIVALENTS AS SHOWN IN THE BALANCE
SHEET

Cash at bank and in hand	£	298,596
--------------------------	---	---------

CG RETAIL LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1993

	Notes	1993 £	£
FIXED ASSETS			
Tangible assets	2		280,971
CURRENT ASSETS			
Stock	3	112,449	
Trade debtors		31,331	
Prepayments and accrued income		13,102	
Amounts owed by group companies		2,623	
Cash at bank and in hand		298,596	

		458,101	

CREDITORS - amounts falling due within one year			
Amounts owed to group companies		153,876	
Trade creditors		3,375	
Sundry creditors		256	
Other creditors including taxation and social security costs	4	7,299	
Accruals and deferred income		38,618	

		203,424	

NET CURRENT ASSETS			254,677

TOTAL ASSETS LESS CURRENT LIABILITIES		£	535,648
			=====
CAPITAL AND RESERVES			
Called up share capital	5		700,000
Profit and loss account			(164,352)

		£	535,648
			=====

These accounts were approved by the Board on 19th July 1994 and signed on its behalf by:


 Director

The notes on pages 7 to 9 form part of these accounts.

CD RETAIL LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31ST DECEMBER 1993

1. ACCOUNTING POLICIES

Accounting Convention

These accounts have been prepared in accordance with the Historical Cost Convention.

Accounting Standards

These accounts have been prepared in accordance with applicable Accounting Standards.

Turnover

This represents the invoiced value of goods and services supplied and is stated exclusive of Value Added Tax.

Stock

Stock is stated at the lower of cost and net realisable value.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:-

Leasehold improvements	10%
Furniture, fixtures and fittings	20%
Computer equipment	33 1/3%

Foreign Currency Translation

Profit and loss account items in foreign currencies are translated at the average exchange rates for the period. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at the balance sheet date.

Deferred Taxation

Provision is made for deferred taxation using the liability method on all short term timing differences. Timing differences arise from the recognition that for tax purposes certain items of income and expenditure are accounted for in a different period to that in which they appear in the accounts.

2. TANGIBLE FIXED ASSETS

	Lease Assignment £	Leasehold Improvements £	Furniture & Fixtures Fittings £	Computer Equipment £	Total £
Cost					
At 16th April 1993	-	-	-	-	-
Additions	1	156,201	124,947	19,440	300,589
At 31st December 1993 £	1	156,201	124,947	19,440	300,589

NOTES TO THE ACCOUNTS (continued)

FOR THE PERIOD ENDED 31ST DECEMBER 1993

2. TANGIBLE FIXED ASSETS (continued)

	Lease Assignment £	Leasehold Improvements £	Furniture Fixtures & Fittings £	Computer Equipment £	Total £
Depreciation					
At 16th April 1993	-	-	-	-	-
Charge for period	-	6,508	10,412	2,698	19,618
At 31st December 1993	£ -	6,508	10,412	2,698	19,618
Net Book Value					
At 31st December 1993	£ 1	149,693	114,535	16,742	280,971
At 16th April 1993	£ -	-	-	-	-

3. STOCK
Goods for resale

1993
£
112,449

4. OTHER CREDITORS INCLUDING TAXATION
AND SOCIAL SECURITY COSTS
VAT
PAYE

4,241
3,058

£ 7,299

5. CALLED UP SHARE CAPITAL
Authorised, allotted, issued and
fully paid:
700,000 ordinary shares of £1 each

£ 700,000

6. TURNOVER

Turnover by origin and pre-tax loss
attributable to the retailing of fashion
wear, related accessories and perfumes
all within the United Kingdom are as
follows:

1993
Turnover Pre-Tax
Loss
£ 498,624 £ (164,352)

7. OPERATING LOSS is stated after charging
Audit fee
Depreciation
Staff costs (note 10)

2,000
19,618
64,427

CD RETAIL LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE PERIOD ENDED 31ST DECEMBER 1993

	1993
	£
8. INTEREST PAYABLE & SIMILAR CHARGES	
Interest payable	£ 286

9. TAXATION	
Charge for period (UK Corporation rate @ 25%)	£ -
	-
10. STAFF COSTS	
Directors' remuneration (note 11)	-
Staff salaries and social security costs	64,427

	£ 64,427

The average weekly number of employees including directors was:	No.
Management	4
Administration	1
Sales	2
Seamstress/Fitters	2
	-
	9
	=

11. DIRECTORS' REMUNERATION
No director received any remuneration for the period.

12. ULTIMATE HOLDING COMPANY
CD Retail Limited is a partly owned subsidiary of Christian Dior SA, a company incorporated and registered in France and the directors are of the opinion that the ultimate parent company is Arnault et Associes a company incorporated and registered in France.

13. COMMITMENTS

	Annual Amount Payable
Rental of premises (lease expiring on 24/12/2113)	£ 237,500

14. CONTINGENCIES
The company had no contingent liabilities as at the balance sheet date.

15. DEFERRED TAX
There is a nil deferred tax liability in respect of accelerated capital allowances as at the balance sheet date due to available trading losses for offset for the period.