POWERLAND

INTERIM REPORT SECOND QUARTER FROM 1 APRIL TO 30 JUNE AND FIRST SIX MONTHS FROM 1 JANUARY TO 30 JUNE 2011

GROUP KEY FIGURES

in EUR'000	Q2 2010	Q2 2011	Change	H1 2010	H1 2011	Change
Revenue	27,714	33,368	20.4%	53,837	67,421	25.2%
Gross profit	11,191	15,043	34.4%	21,575	30,187	39.9%
Gross profit margin in %	40.4	45.1		40.1	44.8	
EBIT[1]	6,552	8,386	28.0%	13,643	18,391	34.8%
EBIT margin in %	23.6	25.1		25.3	27.3	
Net profit for the period	5,439	5,337	– 1.9%	11,493	12,498	8.7%
Earnings per share	0.54*	0.37**		1.15*	1.02**	
Luxury						
Revenue	13,210	18,315	38.6%	25,500	35,932	40.9%
Gross profit	5,899	9,141	55.0%	11,291	17,669	56.5%
Gross profit margin	44.7	49.9		44.3	49.2	
EBIT[1]	2,083	4,132	98.4%	5,076	8,848	74.3%
EBIT margin in %	15.8	22.6		19.9	24.6	
Casual						
Revenue	14,504	15,053	3.8%	28,337	31,489	11.1%
Gross profit	5,292	5,902	11.5%	10,284	12,518	21.7%
Gross profit margin	36.5	39.2		36.3	39.8	
EBIT[1]	4,469	4,254	– 4.8%	8,567	9,543	11.4%
EBIT margin in %	30.8	28.3		30.2	30.3	

in EUR'000	31 Dec 2010	30 June 2011
Total equity and liabilities	72,501	145,028
Total equity	27,205	106,007
Equity ratio in %	37.5	73.1
Cash and cash equivalents	15,319	77,867
Net debt (–)/net cash	– 6,547	57,798

Employees	31 Dec 2010	30 June 2011
Total	1,075	1,380

[1] *EBIT represents earnings before net finance cost and tax.*

* *the computation of basic earnings per share for Q1 2010 and H1 2010 was based on profit of the period and the 10 million shares issued during the reorganisation exercise as if they were issued on 1 January 2010.*

** *based on the profit of the period and average weighted shares. The calculation has been computed on the basis of an average of 14,444,444 shares for Q2 2011 and 12,222,222 shares for H1 2011 after taking into account the 5 million new shares issued during the IPO in April 2011.*

CONTENTS

POWERLAND

COMPANY PROFILE

Powerland is a leading Chinese manufacturer of fashionable luggage and bags with a focus on ladies' luxury handbags. The company also manufactures accessories such as wallets, purses and belts. Powerland has demonstrated very strong growth with highly attractive profit margins over recent years and operates in two business segments: Luxury and Casual.

In the Luxury segment, the company primarily designs and distributes ladies' handbags made of genuine leather under the brand "Powerland". In the Casual segment, the company engages in the design, manufacturing and distribution of sporty and casual bags made of textile/fabric and synthetic leather mainly under the brand "Sotto".

More than 90 % of Powerland's products are sold in the Chinese domestic market:

- Products of the Luxury segment are exclusively sold in the People's Republic of China. At the end of July 2011, the company's Luxury segment products were sold in 129 outlets run by 43 external distributors and one outlet run by the Company, mainly in tier 1 and tier 2 cities in China. The Luxury segment is the Company's core focus for further growth and is expected to account for approximately 70 % of the Group's revenues in two to three years. Powerland's luxury products are also sold in Diayutai State Guest House, run by the Chinese central government in Beijing who only sell products designated as "famous national brands".

- Products of the Casual segment are mainly, but not exclusively sold domestically. Powerland sells them to its distributors, including wholesalers and trading companies. Casual products are sold under the brand name "Sotto", under third-party brands, and as white label products to supermarkets and department stores. 20 % of this segment's revenues are generated in overseas markets, including South Africa, the United Arab Emirates (UAE), Australia, the U.S.A., and Chile.

The company has two operational businesses in Mainland China, located in Fujian and Guangzhou. Powerland had 1,380 employees as at 30 June 2011.

Powerland AG was incorporated on 14 March 2011 and was registered with the Commercial Register of Frankfurt/Main, Germany, under the registration number HRB 90460. The Company was listed on the Frankfurt Stock Exchange on 11 April 2011.

HIGHLIGHTS OF THE SECOND QUARTER 2011

- Revenue grew by 20.4 % in EUR and 29.5 % measured in RMB in Q2 2011;
  year-on-year sales increased by 25.2 % in EUR and 26.7 % in RMB for H1 2011
- Gross profit up 34.4 % and gross profit margin improved to 45.1 % in Q2 2011;
  year-on-year gross profit grew by 39.9 % and gross profit margin improved to 44.8 % in H1 2011
- EBIT increased by 28.0 % and EBIT margin rose to 25.1 % in Q2 2011;
  year-on-year EBIT grew by 34.8 % and EBIT margin increased by 200bps to 27.3 % in H1 2011
- Launch of Autumn/Winter 2011 collections to distributors and retailers and interactive media interview with Italian designer Mr Turchi
- Altogether 11 new stores opened in Q2 2011

LETTER TO OUR SHAREHOLDERS

Dear shareholders and business associates,

Q2 2011 was the first full operative quarter of Powerland AG since it became a public listed company. We are pleased to inform you that sales revenue for this quarter at the Group level was of EUR 33.4 million, approximately 20.4 % higher than Q2 2010. Measured in RMB, revenue growth amounted to 29.5 % during this period. Year to date, in H1 2011, we increased our sales to EUR 67.4 million or by 25.2 %, year-on-year (RMB 618.6 million or 26.7 % year-on-year).

Gross profit and EBIT in Q2 2011 grew to EUR 15.0 million and EUR 8.4 milion, or by 34.4 % and 28.0 % respectively, compared to Q2 2010; whilst gross profit and EBIT in H1 2011 grew to EUR 30.2 million and EUR 18.4 milion, or by 39.9 % and 34.8 % respectively, year-on-year.

The encouraging achievement of this quarter is mainly due to an increase in selling prices, volume and an increasing price mix contribution of the Luxury segment, which showed 49 % growth (measured in RMB) in sales revenue, compared with Q2 2010. We believe that the successful IPO of the Company and being a public company listed at Frankfurt Stock Exchange has assited in branding and marketing and attracted more attention from consumers and retailers in China.

The strong growth of the Luxury segment was accompanied by the continued expansion of our nation-wide retail network. As at the end of July 2011, we have opened 20 new stores since 1 January 2011, of which 19 shop-in-shop stores are operated by distributors in 14 locations (Beijing, Chengdu, Chongqing, Taiyuan, Dalian, Zhengzhou, Baoding, Taizhou, Changzhou, Harbin, Nanning, Shenyang, Shijiazhuang and Yinchuan) and 1 self-operated exclusive store in the premium department store Plaza 66 in Shenyang.

We anticipated the opening of our first self-operated flagship store near Nanjing West Road in Shanghai in July 2011, however due to a more rigorous approval process by the local authorities, it is now re-scheduled to be opened by the end of September 2011. The Company has also identified the locations for other self-operated stores to be opened in H2 2011 and is confident that its plan to open 15 new self-operated stores and 50 distributor-operated stores in 2011, as stated at IPO, will be achieved.

In May 2011, the Company also successfully launched its Autumn/Winter 2011 collections to distributors, and held an interactive media interview with our Italian designer Mr Turchi, conducted by the CCTV internet channel and fashion media. Mr Turchi explained the creative ideas behind the new Powerland seasonal products and explored the brand value of Powerland with Chinese consumers, retailers and the 100 + journalists present from TV, print and internet media. This event, under the theme "Powerland • love", was extremely well accepted and widely appreciated, increasing the brand building process as well as helping expand Powerland's retail networking.

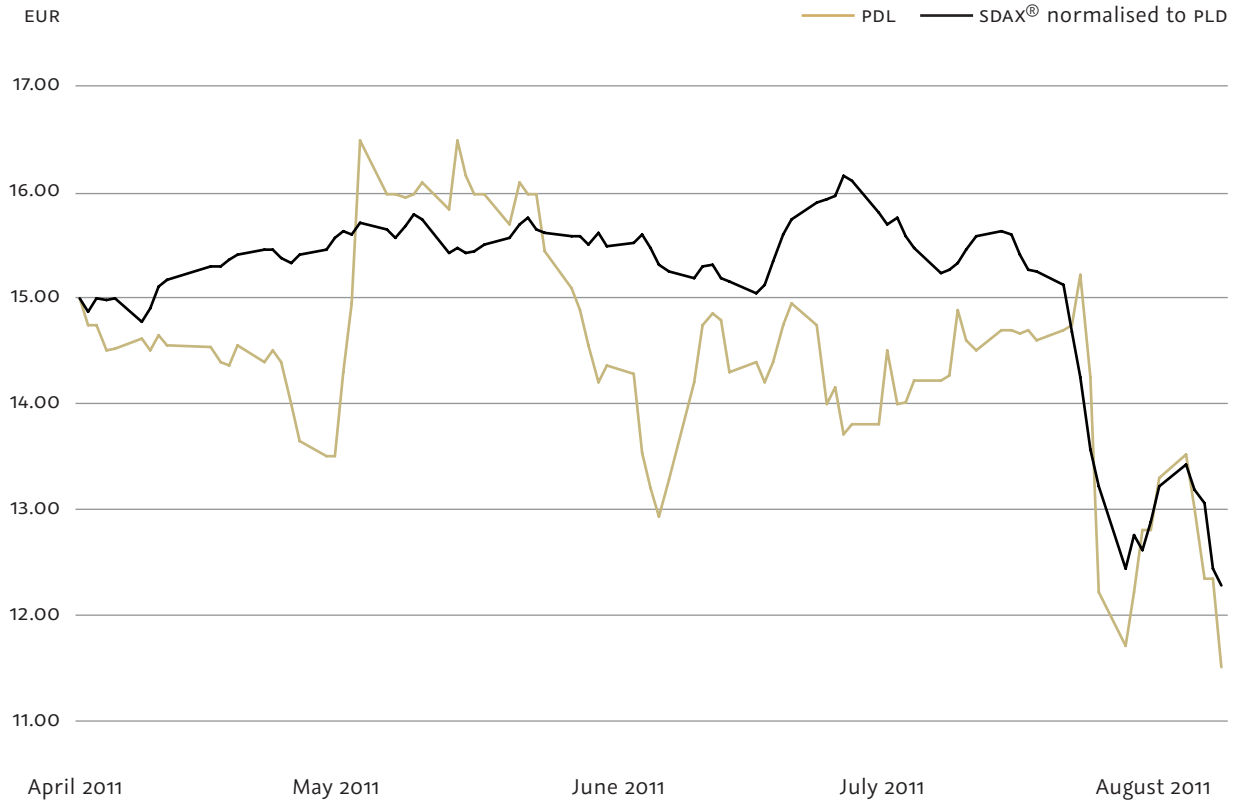
For the Casual segment, we developed and introduced new products of higher quality with combined leather and fabrics, targeting younger consumer groups (16-25 years old), which was well received by consumers. We continue to intensify collaboration with the existing wholesalers and distributors as to stabilize and enhance the Company's expertise in designing and producing casual bags.

In addition, we will continue to communicate our concept of "affordable luxury" combined with new fashion trends, high product quality with genuine leather, and attractive prices for our middle-class consumers in China. Our clear goal is to strengthen our competitiveness during the whole year in order to achieve our 2011 growth targets.

Guangzhou, 24 August 2011
Guo Shunyuan

THE POWERLAND SHARE

PERFORMANCE OF THE POWERLAND SHARE COMPARED WITH THE SDAX® SHARE INDEX



Despite difficult market conditions shaped by the natural disaster in Japan, unrest across the Arab world and uncertainty about how the debt crisis in Europe's peripheral nations will play out, Powerland's management, stakeholders and banking consortium showed their confidence in the quality of the company and decided to press on with their decision to take Powerland public. Their faith was rewarded with a successful IPO. The subscription period ran for eight days between 31 March and 7 April 2011. The starting price was EUR 16.50 after the subscription price was fixed at EUR 15.00 on 8 April 2011. Powerland celebrated its debut and first day of trading on the Frankfurt Stock Exchange on 11 April 2011.

At the time of the IPO, Powerland's market cap was EUR 247.7 million with 15 million shares. The successful IPO was an important step in Powerland's development, as the company is now in a position to implement its growth strategy rapidly and benefit even more from its competitive advantages.

Between April and August, Powerland's share price fluctuated between a high of EUR 16.95 on 24 May and a low of EUR 11.26, which was reached during trading on 17 June. The Powerland share performed largely in line with the SDAX® over the period. Powerland's share price was down 2 % from the subscription price at the time of the IPO to the end of the period under review while the SDAX® fell by more than 4 % over the same period. Powerland's April roadshow in the USA and Canada was met with considerable interest from investors. A further roadshow is scheduled to take place in Europe this September, and Powerland will give a presentation to international investors at November's German Equity Forum.

POWERLAND SHARE KEY DATA

Description	New Company (Regulated Market)
Transparency level at first quotation	Prime Standard
Transaction type	New Issue
Supersector	Consumer Goods
First trading day	11/04/2011
Symbol	1PL
WKN	PLD555
ISIN	DE000PLD5558
Class	Bearer shares without par value
Offering period	31/03/2011-07/04/2011
Issuing method	Bookbuilding Procedure
Bookbuilding range	EUR 14.25-17.25
Subscription price	EUR 15.00
First price	EUR 16.50
Leading underwriter	Macquarie Capital (Europe) Limited
Underwriter	Sole Global Coordinator, Sole Bookrunner & Joint Lead Manager: Macquarie Capital (Europe) Limited Joint Lead Manager: Berenberg Bank Selling Agents: comdirect bank AG, Cortal Consors S.A., S Broker AG & Co. KG, DAB bank AG
Placement volume	EUR 82,500,000.00
Placement volume in shares	5,500,000
Placement volume of new shares	5,000,000
Placement volume of existing shares	500,000
Capital stock / shares on first quotation	15,000,000
Total market cap on first quotation	EUR 247,500,000.00
Change first price compared to issuing price	10.00 %

INTERIM CONSOLIDATED MANAGEMENT REPORT

POWERLAND'S BUSINESS AND ECONOMIC ENVIRONMENT

Powerland's strategy is based on the further growth of the Chinese market for luxury goods. Powerland believes that sustained overall economic growth, ongoing urbanization and increasing disposable income of Chinese consumers are the key reasons behind rising domestic demand for luxury products such as leather handbags. In recent years, Chinese gross domestic product (GDP) has grown at double digit rates. A study conducted by the McKinsey Global Institute indicated that in China by the end of 2010 there were more than 100 million private households with an annual disposable income of between EUR 4,500 and EUR 25,000, a population cohort which represents the primary targeted consumer group for Powerland's luxury products.

The Bain & Company/Altagamma study "China Luxury Market study 2010" (November 2010) also indicates that the Chinese market for luxury goods (including handbags for women) has grown significantly from 2006 to 2010 with a compound annual growth rate (CAGR) of 25.0 %. This trend is expected to continue into the future. In contrast to most of the European and American luxury markets, the Chinese luxury market showed positive trends, even during the global financial crisis in 2008/2009. For many international key luxury players like LVMH, Gucci and Burberry, revenues from China have largely contributed to offset negative sales results from other local markets during these years. This further underlines the strength of the luxury market development in China.

Powerland's current competitors in the mid-high segment of the market for luxury leather bags are international brands like Coach (USA), Why (Japan), Longchamp (France), Roberta de Camerino (Italy), agnès b. (France), and, to a lesser extent, domestic brands like Dissona and Cobo. Powerland's international competitors in the Luxury segment distribute their products under brands that are internationally recognised and were established far earlier than the Powerland brand. These competitors have a larger customer base and bigger financial resources. They make significant investments into marketing and brand building in China, they have direct access to the latest international design trends originating from London, New York, Milan and Paris and are even in a position to set or influence these trends. While other brands tend to target younger customers, the primary focus of Powerland is on professionals, executives, managers and business women within the Chinese middle class. This clientele is addressed through Powerland's unique positioning on state-of-the-art classical Italian design.

Barriers to entry for new players into this market are higher than is often assumed. The lack of brand value (especially of Chinese companies), of capital reserves, of a nationwide distribution network and of trend setting designs have, for example, so far prevented other domestic players from entering the market successfully.

However, recent statements by the Ministry of Finance and Commerce (MOFCOM) voicing intentions to gradually lower the import duty up to 15 % for Western consumer goods including some categories like watches, cosmetics, garment and accessories and other luxury goods may lead to entry of more international second tier brands to China. That considered, we do also believe that the expected backflow of both pent up and growing domestic consumer spending will benefit international as well as domestic players like Powerland.

Nevertheless, by taking into account the described positive economic environment in China, Powerland's clear growth strategy, good brand reputation, product quality, Italian design capability and last but not least the proceeds from the IPO, we are confident that Powerland will be able to further strengthen its already strong position on the Chinese market for luxury handbags not only in 2011 but also during the following years.

POWERLAND'S BUSINESS MODEL AND STRATEGY

Based on different market positioning goals, Powerland follows entirely different business models and strategies for its Luxury business under the Powerland brand and its Casual business under the Sotto brand. While the Casual segment includes the entire value chain, in the Luxury segment the company is primarily focused on marketing/branding, on sourcing of high quality leather raw materials and on market research. In terms of design, production and distribution, Powerland collaborates with its suppliers and partners to achieve quick market access with relatively low capital intensity.

For future growth, the main Powerland focus is on the Luxury segment, through the application of the following strategies:

- Expansion of sales network to a total of 300 stores by the end of 2013, of which approximately 70 stores will be opened and operated by Powerland itself. These self-operated stores are mainly flagship stores and exclusive airport stores. The main strategic rationale behind opening our own stores is to gain more direct information about our customers' taste and preferences, to increase the visibility of the brand and to obtain additional margins based on retail prices.
- Continued marketing and branding (e.g. with TV campaigns) in order to create the 1st Chinese luxury brand with a reputation for "leading the design trend" instead of "following design trends".
- Expansion of own production facilities in the current factory premises in order to increase know-how and obtain ability to test sales before the official start of the new sales seasons and to shorten the lead-time for production of replenishment orders and Group purchase orders.
- Intensified cooperation with the Italian design company Studio Turchi by regularly training the in-house design team of Powerland.
- Implementation of an advanced Enterprise Resources Programme (ERP), which is an IT-system to integrate the sales & inventory data of the distributors in order to better track sales to end customers.

At the same time, Powerland is also committed to re-positioning the Casual segment under the Sotto brand in order to maintain and enhance its role as a "cash cow" to continue to help funding the growth of the Group's Luxury business with the following strategies:

- Shifting the product mix to higher quality products with combined leather and fabrics, in order to increase sales margins and gradually offset the negative effect of ongoing raw material increases.
- Intensified collaboration with existing wholesalers and distributors in order to target younger consumer groups of 16-25 years.
- Stabilize and enhance the company's expertise in designing and producing casual bags.

GENERAL ECONOMIC CONDITIONS / SEGMENT SPECIFIC CONDITIONS

Based on a Deutsche Bank study (China Industrial Monthly, November 2010), over the last five years China's gross domestic product (GDP) has grown at a compound annual growth rate (CAGR) of 10.0 %, equating to over 2.5 times the global average. However, future GDP growth will also depend on the Chinese government's initiatives to foster this growth. The Chinese government has recently announced a desire to aim for more moderate GDP growth. Ahead of the National People's Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC) meetings in Beijing in April 2011, Premier Wen Jiabao announced that China's GDP growth target will be lowered to 7 % per annum set in the 12th Five-Year Plan period (2011-2015).

China's GDP growth in the recent past has to a big extent been driven by governmental spending, which is likely to undergo changes in the future. Therefore, a more balanced GDP growth in China needs to be achieved through stronger domestic consumption. As the central government increases its Reserve Requirement Ratio (RRR) and interest rates, the ultimate goal should be to have rates closer to inflation rates.

For retail and luxury business development in China, the supporting measurements of this macro economical fine-tuning, e.g. the increase of the individual income tax threshold, will have a long-term positive impact. At the same time, historically high savings rates (mainly due to concerns related to health and education) offer substantial purchasing power, as the government continues to take over more and more responsibilities in these key social areas.

Additionally, the penetration of credit cards into everyday consumer behaviour has been increasing and will have a positive effect on the spending attitude and patterns of Chinese consumers, which is positive for both the Luxury and the Casual businesses of Powerland.

Moreover, luxury consumption in China is ever increasingly undertaken by men with rising incomes who are, for example, buying handbags for their wives or girlfriends. China is renowned for its culture of giving gifts in both private and business life.

The following table shows the historical and expected growth rates in Chinese retail sales in per cent in the period 2004-2014f (Source: Global Insight, 2010):

	2004	2005	2006	2007	2008	2009	2010	2011f	2012f	2013f	2014f
In %	12.8	15.9	18.2	11.4	14.9	16.3	14.5	11.4	9.6	9.1	12.2

REVENUE ANALYSIS AND SEGMENT REPORTING

The following table presents income statement data of Powerland AG for the period ended 30 June 2010 and 2011 on a consolidated basis. The table also presents income statement data as a percentage of revenues.

	Q2 2010		Q2 2011		H1 2010		H1 2011	
30 June (unaudited)	EUR'000	% of revenues	EUR'000	% of revenues	EUR'000	% of revenues	EUR'000	% of revenues
Revenue	**27,714**	**100.0**	**33,368**	**100.0**	**53,837**	**100.0**	**67,421**	**100.0**
Cost of sales	– 16,523	– 59.6	– 18,325	– 54.9	– 32,262	59.9	– 37,234	– 55.2
Gross Profit	**11,191**	**40.4**	**15,043**	**45.1**	**21,575**	**40.1**	**30,187**	**44.8**
Other income	35	0.1	30	0.1	52	0.1	30	0.0
Selling and distribution costs	– 3,189	– 11.5	– 3,918	– 11.7	– 5,058	– 9.4	– 7,187	– 10.6
Administrative and other expenses	– 1,485	– 5.3	– 2,769	– 8.3	– 2,926	– 5.4	– 4,639	– 6.9
Net finance costs	– 271	– 1.0	– 994	– 3.0	– 384	– 0.8	– 1,330	– 2.0
Profit before tax	**6,281**	**22.7**	**7,392**	**22.2**	**13,259**	**24.6**	**17,061**	**25.3**
Tax expense	– 842	– 3.1	– 2,055	– 6.2	– 1,766	– 3.3	– 4,563	– 6.8
Net profit for the financial period	**5,439**	**19.6**	**5,337**	**16.0**	**11,493**	**21.3**	**12,498**	**18.5**

Revenues

Revenues are generated from the sale of handbags for women, trolley cases, wallets, bags for men, belts and accessories made of mainly genuine leather in the Luxury segment and backpacks, trolley bags, travel bags, laptop bags, ice bags, tool bags and other products made of textiles and synthetic leather in the Casual segment.

Revenues increased from EUR 27,714 thousand in Q2 2010 by EUR 5,654 thousand, or 20.4 %, to EUR 33,368 thousand in Q2 2011. Measured in RMB, revenue growth amounted to 29.5 % during this period. The increase in revenue measured in RMB was driven by an increase in sales of products from the Luxury segment of approximately 49.1 % and an increase of 11.7 % in the sales of products from the Casual segment.

Revenues increased from EUR 53,837 thousand in H1 2010 by EUR 13,584 thousand, or 25.2 %, to EUR 67,421 thousand in H1 2011. Measured in RMB, revenue growth amounted to 26.7 % during this period. The increase in revenue measured in RMB was driven by an increase in sales of products from the Luxury segment of about 42.7 % and an increase of 12.4 % in the sales of products from the Casual segment.

Revenues by segment

Luxury segment

Revenues in the Luxury segment increased from EUR 13,210 thousand in Q2 2010 by EUR 5,105 thousand, or 38.6 %, to EUR 18,315 thousand in Q2 2011. Measured in RMB revenues in the Luxury segment increased by 49.1 %.

Revenues in the Luxury segment increased from EUR 25,500 thousand in H1 2010 by EUR 10,432 thousand, or 40.9 %, to EUR 35,932 thousand in H1 2011. Measured in RMB revenues in the Luxury segment increased by 42.7 %.

These increases were mainly driven by an expansion of Powerland's retail network and a significant increase in selling prices. The number of Powerland stores increased from 98 as at 30 June 2010 to 123 as at 30 June 2011.

Casual segment

Revenues in the Casual segment increased from EUR 14,504 thousand in Q2 2010 by EUR 549 thousand, or 3.8 %, to EUR 15,053 thousand in Q2 2011. Measured in RMB this was a revenue increase of 11.7 %.

Revenues in the Casual segment increased from EUR 28,337 thousand in H1 2010 by EUR 3,152 thousand, or 11.1 %, to EUR 31,489 thousand in H1 2011. Measured in RMB this was a revenue increase of 12.4 %.

These increases were mainly due to the recovery of the global export market for synthetic leather products and the shifting to higher margin fabric based products.

Revenue Breakdown by Region

In the Luxury segment all revenues are generated with customers in China. In the Casual segment most products made from fabric are sold to Chinese customers, whereas products made of synthetic leather are mostly sold to customers domiciled outside China.

The following table shows a breakdown of Powerland's revenues by region based on customer location for Q2 2010, Q2 2011 and H1 2010 and H1 2011:

	Q2 2010		Q2 2011		H1 2010		H1 2011	
	EUR'000	% of revenues	EUR'000	% of revenues	EUR'000	% of revenues	EUR'000	% of revenues
China	24,090	86.9	30,364	91.0	48,242	89.6	61,841	91.7
Rest of World[1]	3,624	13.1	3,004	9.0	5,595	10.4	5,580	8.3
Total	**27,714**	**100.0**	**33,368**	**100.0**	**53,837**	**100.0**	**67,421**	**100.0**

[1] *mainly South Africa, United Arab Emirates, Australia, the United States of America and Chile*

Gross Profit (GP) Margin

Powerland's GP margin was 40.4% in Q2 2010 and 45.1% in Q2 2011. Powerland's GP margin was 40.1% in H1 2010 and 44.8% in H1 2011. Overall, this was driven by increases in the selling prices of the products exceeding increases in input costs such as raw material, labour and overheads, and a positive effect from changes in the product mix.

Gross Profit Margin by segment

Luxury segment

Powerland's GP margin in the Luxury segment was 44.7% in Q2 2010 and 49.9% in Q2 2011. The GP margin in the Luxury segment was 44.3% in H1 2010 and 49.2% in H1 2011. The increase in 2011 was mainly due to higher unit selling prices and an improved product mix.

Casual segment

Powerland's GP margin in the Casual segment was 36.5% in Q2 2010 and 39.2% in Q2 2011. The GP margin in the Casual segment was 36.3% in H1 2010 and 39.8% in H1 2011. Increases in 2011 were mainly due to an improved product mix and enhanced cost control.

Selling and Distribution (S & D) Costs

S & D costs comprise marketing costs (including costs of TV advertisement, fees payable to the brand ambassador, expenses for the participation in trade fairs), transportation fees (costs for the delivery of products and port charges), labour costs for employees engaged in the sales and marketing department, and others (other marketing expenses and other miscellaneous expenses in connection with sales activities).

From Q2 2010 to Q2 2011, S & D costs increased from EUR 3,189 thousand, by EUR 729 thousand, or 22.9%, to EUR 3,918 thousand. From H1 2010 to H1 2011, S & D costs increased from EUR 5,058 thousand by EUR 2,129 thousand, or 42.1%, to EUR 7,187 thousand. The increase was caused by increases in marketing costs for broadcasting & advertisement and grand conferences for launching "Powerland 2011 Autumn/Winter Series Luxury Products". S & D costs as a percentage of revenues amounted to 11.5% in Q2 2010 and 11.7% in Q2 2011; whilst it was 9.4% in H1 2010 and 10.6% in H1 2011.

Administrative and Other Expenses

Administrative and other expenses comprise, among other things, research and development expenses (including the payable to the Italian design company), staff costs for management and other employees with administrative functions, depreciation and amortization charges on land use rights relating to office buildings, utilities costs, travel expenses, entertainment expenses and other miscellaneous office expenses incurred for administrative purposes, donations, other taxes and tax surcharges.

Powerland's administrative and other expenses increased from EUR 1,485 thousand in Q2 2010 by EUR 1,284 thousand, or 86.5 %, to EUR 2,769 thousand in Q2 2011. These expenses increased from EUR 2,926 thousand in H1 2010 by EUR 1,713 thousand, or 58.5 %, to EUR 4,639 thousand in H1 2011. The increase was mainly due to higher administrative costs post IPO and also the enforcement of additional tax surcharge for city construction fees payable to tax authority applicable to foreign-invested corporation effective from 1 December 2010 and staff costs. Administrative expenses as a percentage of revenues amounted to 5.3 % in Q2 2010 and 8.3 % in Q2 2011; having been 5.4 % of revenues in H1 2010 and 6.9 % of revenues in H1 2011.

Net Finance Costs

Net finance costs mainly comprise interest expenses on bank borrowings and net foreign exchange losses.

Net finance costs increased from EUR 271 thousand in Q2 2010 by EUR 723 thousand, or 266.8 %, to EUR 994 thousand in Q2 2011. Net Finance Costs increased from EUR 384 thousand in H1 2010 by EUR 946 thousand, or 246.4 %, to EUR 1,330 thousand in H1 2011. These were mainly due to increases in net foreign exchange losses and borrowings obtained towards the end of the prior year to finance increased working capital requirements and the acquisition of properties.

Income Tax

Expenses for income tax increased from EUR 842 thousand in Q2 2010 (corresponds to 13.4 % of profit before income tax) to EUR 2,055 thousand in Q2 2011 (corresponds to 27.8 % of profit before income tax). Income Tax increased from EUR 1,766 thousand in H1 2010 (corresponds to 13.3 % of profit before income tax) to EUR 4,563 thousand in H1 2011 (corresponds to 26.7 % of profit before income tax). The higher effective income tax rate in Q2 2011 and H1 2011 was due to the fact that Powerland Fujian was enjoying its last year of a 50 % tax rebate in the financial year 2010.

The statutory income tax rate for Powerland Fujian was 12.5 % in 2010 and is 25.0 % in 2011. The income tax rate for Powerland Guangzhou was 12.5 % in 2010 as well as in 2011.

Other Selected Financial Data Q2 2010, Q2 2011, H1 2010 and H1 2011

	Q2 2010		Q2 2011		H1 2010		H1 2011	
	EUR'000	% of revenues	EUR'000	% of revenues	EUR'000	% of revenues	EUR'000	% of revenues
Gross profit margin		40.4		45.1		40.1		44.8
EBITDA	6,655		8,551		13,839		18,666	
EBITDA margin		24.0		25.6		25.7		27.7
EBIT	6,552		8,386		13,643		18,391	
EBIT margin		23.6		25.1		25.3		27.3
Net profit margin		19.6		16.0		21.3		18.5

	EUR	EUR	EUR	EUR
Earnings per share	0.54	0.37	1.15	1.02

Gross profit margin and EBIT margin

Group

The increase in EBIT margin (from 23.6 % in Q2 2010 to 25.1 % in Q2 2011; and from 25.3 % in H1 2010 to 27.3 % in H1 2011) resulted mainly from the higher GP margin in Q2 2011 and H1 2011, which increased from 40.4 % in Q2 2010 to 45.1 % in Q2 2011 and from 40.1 % in H1 2010 to 44.8 % in H1 2011.

These were offset by higher selling and distribution costs (which increased from 11.5 % of revenues in Q2 2010 to 11.7 % in Q2 2011 and from 9.4 % of revenues in H1 2010 to 10.6 % in H1 2011) and higher administration and other expenses (which increased from 5.3 % in Q2 2010 to 8.3 % in Q2 2011 and from 5.4 % in H1 2010 to 6.9 % in H1 2011).

Luxury segment – EBIT margin

The EBIT margin for Luxury segment increased from 15.8 % in Q2 2010 to 22.6 % in Q2 2011 and from 19.9 % in H1 2010 to 24.6 % in H1 2011 which mainly resulted from the higher segment GP margin in Q2 2011 (increased from 44.7 % in Q2 2010 to 49.9 % in Q2 2011) and H1 2011 (increased from 44.3 % in H1 2010 to 49.2 % in H1 2011).

Casual segment – EBIT margin

The EBIT margin of the Casual segment decreased from 30.8 % in Q2 2010 to 28.3 % in Q2 2011 but remained the same at 30.3 % in H1 2010 and H1 2011. The difference was mainly due to higher administrative and other expenses offset by higher GP margin (36.5 % in Q2 2010 and 39.2 % in Q2 2011; 36.3 % in H1 2010 and 39.8 % in H1 2011).

Net profit margin

The results show a lower net profit margin in Q2 2011 (16.0 %) and H1 2011 (18.5 %) compared to Q2 2010 (19.6 %) and H1 2010 (21.3 %) despite the increase in EBIT margin. This decline was mainly due to the higher statutory income tax rate for Powerland Fujian of 25.0 % for 2011 compared to the 12.5 % for 2010 and to a smaller extent to higher net finance costs (increased from 1.0 % in Q2 2010 to 3.0 % in Q2 2011; 0.8 % in H1 2010 to 2.0 % in H1 2011).

Earnings per share

Earnings per Share (EPS) were EUR 0.54 in Q2 2010 and EUR 0.37 in Q2 2011, and EUR 1.15 in H1 2010 and EUR 1.02 in H1 2011. They were calculated based on the profit of the period and average weighted shares. The calculation has been computed on the basis of an average of 14,444,444 shares for the Q2 2011 (Q2 2010: 10,000,000 shares) and 12,222,222 shares for the H1 2011 (H1 2010 : 10,000,000 shares).

The EPS figures for Q2 2010, Q2 2011, H1 2010 and H1 2011 would be EUR 0.36, EUR 0.36, EUR 0.77 and EUR 0.83 if we calculated them based on total issued shares of 15 million as at 30 June 2011.

GROUP FINANCIAL POSITION AND CASH FLOW

Non-current Assets

Intangible Assets

Intangible assets mainly comprise the rights of the Powerland trademark. The trademark was recognized at acquisition costs when it was acquired from Mr. Guo in 2007 and is amortised over a period of ten years. Intangible assets amounted to EUR 79 thousand as at 31 December 2010 and EUR 68 thousand as at 30 June 2011.

Property, plant and equipment

Property, plant and equipment (PPE) mainly comprise buildings, plant & machinery and factory equipment, office and other equipment, and motor vehicles. Property, plant and equipment increased from EUR 20,358 thousand as at 31 December 2010 by EUR 60.0 thousand, or 0.3 %, to EUR 20,418 thousand as at 30 June 2011. The increase was due to acquisition of PPE amounting to EUR 1,607 thousand. The increase was offset by foreign currency translation adjustments of EUR 1,276 thousand and depreciation charged of EUR 271 thousand.

Land use rights
Land use rights decreased from EUR 4,375 thousand as at 31 December 2010 and by EUR 316 thousand, or 7.2 %, to EUR 4,059 thousand as at 30 June 2011. The decrease is attributable to the foreign currency translation adjustment of EUR 268 thousand and depreciation charged in H1 2011 of EUR 48 thousand.

Current Assets

Inventories
Inventories comprise raw materials (leather, textile and synthetic leather), work in progress, raw materials delivered to the contract manufacturers and not yet returned as finished goods and finished goods products on stock.

Inventories increased from EUR 7,518 thousand as at 31 December 2010 by EUR 3,533 thousand, or 47.0 %, to EUR 11,051 thousand as at 30 June 2011. The reason for the increase in inventory as at 30 June 2011 is to secure on time delivery to customers in expectation of ongoing strong market demand.

Trade and other receivables
Trade and other receivables comprise trade receivables and non-trade receivables from related parties, and other receivables, claims resulting from advance payments to suppliers and value added tax recoverable.

Trade and other receivables increased from EUR 24,846 thousand as at 31 December 2010 by EUR 6,611 thousand, or 26.6 %, to EUR 31,457 thousand as at 30 June 2011. The increase was mainly due to the increase in trade receivables which is in line with higher sales in Q2 and H1 2011.

Cash and cash equivalents
Cash and cash equivalents mainly comprise bank deposits. Cash and cash equivalents increased from EUR 15,319 thousand by EUR 62,548 thousand to EUR 77,867 thousand as at 30 June 2011.

For a more detailed discussion of cash at the end of each period, see “Liquidity” in this section.

Equity

Equity increased from EUR 27,205 thousand as at 31 December 2010 by EUR 78,802 thousand, or 289.7 % to EUR 106,007 thousand as at 30 June 2011 mainly due to the IPO gross proceeds of EUR 75,000 thousand for the issuance of 5 million new shares of Powerland AG on 11 April 2011 and the increase in retained earnings. This is reduced by IPO expenses of EUR 7,613 thousand charged to capital reserve and exchange difference on translating foreign operations of EUR 1,083 thousand.

Non-current Liabilities

Non-current liabilities consist of borrowings primarily from bank loans. Borrowings of EUR 2,757 thousand outstanding as at 30 June 2011 were repaid in July 2011.

Current Liabilities

Borrowings
Borrowings comprise liabilities resulting from short-term bank loans. The decrease was mainly attributable to repayment for short-term loans which were granted by Agricultural Bank of China and Guangdong Development Bank. Their purpose is to finance working capital requirements.

Trade and other payables
Trade and other payables comprise trade payables (mainly payables to suppliers of raw materials and OEM manufacturers and payables resulting from advertising activities), advances from related parties, other payables and advance payments from customers, value-added tax payables and accruals for tax surcharges, social security contributions and trade union fees and accruals for salaries and utilities.

Trade and other payables decreased from EUR 22,476 thousand as at 31 December 2010, by EUR 5,691 thousand or 25.3 %, to EUR 16,785 thousand as at 30 June 2011.

Income tax liabilities

Income tax liabilities increased from EUR 954 thousand as at 31 December 2010, by EUR 1,213 or approximately 127.1 %, to EUR 2,167 thousand as at 30 June 2011 in line with the increase in the higher effective tax rate for 2011.

Net working capital

EUR'000	2008	2009	2010	H1 2010	H1 2011
Inventories	11,362	4,784	7,518	6,414	11,051
Trade receivables	6,976	9,304	19,705	32,222	28,093
	18,338	**14,088**	**27,223**	**38,636**	**39,144**
Trade payables	5,156	3,245	15,403	17,820	12,162
Net Working Capital	13,182	10,843	11,820	20,816	26,982
Revenue				53,837	67,421
12 months or extrapolated	54,701	82,176	112,635	107,674	134,842
%	24.1	13.2	10.5	19.3	20.0

The net working capital as at 30 June 2011 was 20.0 % of extrapolated annual revenue 2011, which is marginally higher than 19.3 % as at end of H1 2010. Trade receivables have been decreasing from EUR 32,222 thousand as at H1 2010 to EUR 28,093 thousand as at H1 2011. Inventories were significantly higher in H1 2011 (EUR 11,051 thousand as compared to EUR 6,414 thousand in H1 2010), because of the need to secure on time delivery to customers in expectation of ongoing strong market demand.

Taking into account the normal seasonal fluctuations and the opening up of self-operated stores we expect net working capital for the full year of 2011 to move in a range of 15 % to 20 %.

Liquidity

Net Cash Flow Generated from / used in Operating Activities

Net cash flows from operating activities in H1 2010 amounted to EUR 1,374 thousand, change to a cash outflow of EUR 1,568 thousand in H1 2011 linked to higher corporate tax expenses paid in H1 2011 and higher net working capital used in H1 2011.

Net Cash used in Investing Activities

Net cash used in investing activities decreased from EUR 2,217 thousand in H1 2010 by EUR 616 thousand to net cash used in investing activities of EUR 1,601 thousand in H1 2011. This decrease is mainly attributable to the lower purchase of PPE in H1 2011.

Net Cash from Financing Activities

Net cash from financing activities increased from EUR 10,053 thousand in H1 2010 to EUR 66,321 thousand in H1 2011 mainly due to IPO proceeds amounting to EUR 75,000 thousand net of IPO expenses of EUR 7,613 thousand.

RISK AND OPPORTUNITY REPORT

The key risk factors associated with Powerland's operations are identified in the dependence on existing distributors with regards to sales, dependence on OEM with regards to quality assurance and dependence on Studio Turchi with regards to fashion and design creation. However, Powerland believes that it is in a position to effectively leverage its brand reputation and Company resources as to mitigate against these risks. With regards to the Casual segment, potential increases in raw material prices, especially the cotton price, also represent a further key risk factor.

The sale of Powerland's Luxury products is effected almost exclusively through a distribution network in China consisting of 129 stores operated by 43 independent retail distributors and one self-operated exclusive store (as at 31 July 2011) under the Powerland brand with uniform design standards (the "Powerland Stores"). Powerland stores are managed or controlled by independent distributors which have been granted rights to sell Powerland products at specific locations in China under distribution agreements. Powerland does not have direct control over the management of the Powerland Stores, as these are operated by independent retail distributors. Powerland's business could therefore be adversely affected if Powerland Stores are managed ineffectively or inappropriately.

Powerland intends to substantially increase the total number of Powerland Stores from 130 to approximately 300 within the next 2-3 years. During this process, Powerland plans to open and operate 70 flagship and/or exclusive stores. About half of these stores will be bought with property ownership. Currently, a majority of the retail stores run by Powerland distributors are shop-in-shop stores (average 40 m^2 in floor area size), with the planned self-operated flagship stores being, on average, more than double this size and predicted to contribute up to 1/3 of Group Luxury segment sales by the end of 2013. The new Powerland own-operated stores will not only help to reduce the dependence on distributors and increase overall Company margins, but they will also generate substantial expertise in serving the end consumers and point-of-sales ("POS") activities, in turn granting the Company more "know-how" with regards to the management of distributors and experience in better controlling pricing and marketing activities at the POS level.

Although Powerland adopts substantial quality control measures, including onsite inspections on the factory premises of OEMs it engages, the Company plans to further enhance and improve monitoring product quality. Following the same principles as those employed in its distribution activities, Powerland will introduce its own production facility and produce leather handbags on Company owned production premises. The small facility will give Powerland the possibility to test sales and marketing with sample products in some selected stores before the commencement of the new sales seasons, and also enable Powerland to gain additional experience with regards to the entire production process, which in turn can be leveraged in order to have better control over the production process within the OEM factories.

Powerland's products can only remain competitive if they continue to meet consumer preferences in terms of quality and design. Powerland might not be able to adapt to changing consumer preferences and offer attractive products on a timely basis. For the products in the Luxury segment, the time span from commencing with the first design to the actual launch of the product is about 18 months. This increases the difficulties of designing a product that meets consumer preferences, as the designer needs to anticipate future trends and preferences very early. If Powerland does not anticipate or adequately respond to evolving market demands or does not meet changing consumer preferences, its ability to sell its products may be limited and the appeal of its brand may be reduced.

In order to maintain the trend-setting and creative Company design, Powerland's in house design team will be gradually trained by Studio Turchi in Italy as part of the co-operation agreement between the companies during the course of the next five years. At the same time, Italian designers are scheduled to continue to increase their time spent in China, in order to learn and adapt more quickly to the changing consumer preferences of Chinese consumers.

Facing risks of continuous inflation of raw materials in the Casual segment, Powerland has reacted proactively with price lock provisions in contracts with suppliers. The Company has also been successful in gradually passing part of the raw material price increases to consumers. At the same time, Powerland has started to shift systematically to higher margin products, e.g. products made out of combination of fabrics and leather within the current portfolio, in order to increase the segmental margin level.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

No material events occurred after the reporting period since 30 June 2011.

OUTLOOK

The overall sales and margin development was on track for the first half of 2011, and we feel confident that we will meet the targets conveyed in the financial projection for 2011 to achieve organic sales growth of more than 25% (in RMB) compared to 2010, even if the growth rate of Chinese national economy is expected to slow down, due to macro economical consolidation. With regards to EBIT, we are confident that we can achieve margins of at least 25%, better than those seen in 2010, assuming that no substantial raw material price and overhead cost increases occur in the remaining part of this year.

We will also continue to pursue initiatives that have already been launched with the aim of improving the Company's results, improving pricing power, ensuring more efficient working capital and cash flow management, and implementing better cost control and upgrade of product mix in the Casual segment and innovative products in the Luxury segment.

With the successful IPO and new capital raised, we will continue to build the Powerland brand, expand the distribution network and increase vertical integration.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

in EUR'000	Note	Q2 2010	Q2 2011	H1 2010	H1 2011
Revenue	7	27,714	33,368	53,837	67,421
Cost of sales	8	– 16,523	– 18,325	– 32,262	– 37,234
Gross profit		11,191	15,043	21,575	30,187
Other income		35	30	52	30
Selling and distribution costs	9	– 3,189	– 3,918	– 5,058	– 7,187
Administrative and other expenses	10	– 1,485	– 2,769	– 2,926	– 4,639
Net finance costs	11	– 271	– 994	– 384	– 1,330
Profit before tax		6,281	7,392	13,259	17,061
Tax expense	12	– 842	– 2,055	– 1,766	– 4,563
Net profit for the financial period		5,439	5,337	11,493	12,498
Profit for the financial period attributable to owners of the parent		5,439	5,337	11,493	12,498
Earnings per share (EUR)	13	0.54	0.37	1.15	1.02

The comparability is affected by movements in the relative value of the functional currency (RMB) compared to the presentation currency (EUR).

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

in EUR'000	Note	Q2 2010	Q2 2011	H1 2010	H1 2011
Net profit for the financial year		**5,439**	**5,337**	**11,493**	**12,498**
Other comprehensive income/(expense)					
Exchange differences on translating foreign operations (net of tax)		2,878	571	4,235	– 1,083
Total comprehensive income		**8,317**	**5,908**	**15,728**	**11,415**
Profit for the financial period attributable to owners of the parent		5,439	5,337	11,493	12,498
Total comprehensive income attributable to owners of the parent		8,317	5,908	15,728	11,415

The comparability is affected by movements in the relative value of the functional currency (RMB) compared to the presentation currency (EUR).

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

in EUR'000	Note	31.12.2010	30.6.2011
ASSETS			
Non-current assets			
Property, plant and equipment		20,358	20,418
Land use rights		4,375	4,059
Intangible assets		79	68
Deferred tax assets		–	104
Total non-current assets		**24,812**	**24,649**
Current assets			
Inventories		7,518	11,051
Trade and other receivables		24,846	31,457
Current tax assets		6	4
Cash and cash equivalents		15,319	77,867
Total current assets		**47,689**	**120,379**
TOTAL ASSETS		**72,501**	**145,028**

in EUR'000	Note	31.12.2010	30.6.2011
EQUITY AND LIABILITIES			
Equity			
Share capital	15	–	15,000
Reserves	16	27,205	91,007
Total equity		**27,205**	**106,007**
Liabilities			
Non-current liabilities			
Borrowings		3,729	2,757
Current liabilities			
Trade and other payables		22,476	16,785
Borrowings		18,137	17,312
Current tax liabilities		954	2,167
Total current liabilities		**41,567**	**36,264**
Total liabilities		**45,296**	**39,021**
TOTAL EQUITY AND LIABILITIES		**72,501**	**145,028**

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

in EUR'000	Note	H1 2010	H1 2011
Cash flows from operating activities			
Profit before tax		13,259	17,061
Adjustments for:			
Amortisation of intangible assets		6	6
Depreciation of land use rights		27	48
Depreciation of property, plant and equipment		161	271
Loss on disposal of property, plant and equipment		4	–
Interest income		– 3	– 6
Interest expenses		362	622
Operating profit before working capital changes		13,816	18,002
Changes in inventories		– 703	– 4,092
Changes in trade and other receivables		– 22,688	– 8,318
Changes in trade and other payables		12,213	– 3,827
Cash generated from operations		2,638	1,765
Income taxes paid		– 1,264	– 3,333
Net cash generated from / (used in) operating activities		1,374	– 1,568
Cash flows from investing activities			
Interest received		3	6
Sales proceeds from disposal of property, plant and equipment		40	–
Purchase of property, plant and equipment		– 2,260	– 1,607
Net cash used in investing activities		– 2,217	– 1,601
Cash flows from financing activities			
Proceeds from IPO		–	75,000
IPO expenses paid		–	– 7,613
Drawdown of borrowings		12,431	11,318
Repayments of borrowings		– 2,016	– 11,762
Interest paid		– 362	– 622
Net cash from financing activities		10,053	66,321
Net increase in cash and cash equivalents		9,210	63,152
Cash and cash equivalents at the beginning of the period		7,718	15,319
Exchange gain/(loss) on cash and cash equivalents		2,256	– 604
Cash and cash equivalents at the end of the period		19,184	77,867

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

in EUR'000	Share capital	Consolidation reserve	Exchange translation reserve	Retained earnings	Total equity
1 January 2010	–	9,708	913	6,894	17,515
Total comprehensive income	–	–	4,235	11,493	15,728
30 June 2010	**–**	**9,708**	**5,148**	**18,387**	**33,243**
1 January 2011	**–**	**12,322**	**3,215**	**11,668**	**27,205**
Total comprehensive income	–	–	– 1,083	12,498	11,415
Paid-in capital	10,000	– 10,000	–	–	–
Proceeds from IPO, gross	5,000	70,000	–	–	75,000
Charging IPO costs directly to equity	–	– 7,613	–	–	– 7,613
30 June 2011	**15,000**	**64,709**	**2,132**	**24,166**	**106,007**

NOTES
TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The condensed interim consolidated financial statements include the financial statements of the holding company, Powerland AG (the "Company") and its subsidiaries. These subsidiaries are Powerland Fujian Suitcase and Leather Goods, Co. Ltd. ("PFL") and Guangzhou Powerland Suitcase and Leather Goods, Co. Ltd. ("PGL"), which are located in the Peoples' Republic of China, and Powerland International Holdings Limited ("Powerland Hong Kong"), which is located in Hong Kong, Special Administrative Region of the Peoples' Republic of China ("Hong Kong").

The English names of certain companies/parties referred to in the condensed interim financial statements represent unofficial translation of their registered Chinese names by management and these English names have not been legally adopted by these entities.

Powerland AG (the "Company")
The Company is the parent company and a German stock corporation (Aktiengesellschaft) operating under German law. The legal seat (Satzungssitz) of the Company is in Frankfurt. The Company is registered with the commercial register (Handelsregister) of the local Court (Amtsgericht) in Frankfurt under registration number hrb 90460. The Company has its business address in Frankfurt, Germany. The Company's financial year is the calendar year (that means 1 January through 31 December). The Company has been established for an unlimited period of time.

Powerland AG's shares are traded in the Prime Standard, a special segment of the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange. The first day of trading of Powerland's shares occurred on 11 April 2011.

2 NATURE OF OPERATIONS

Powerland AG and its subsidiaries (hereinafter referred to as "the Group" or "Powerland") are principally engaged in the designing, manufacturing, and sale of luggage, bags and leather products. There have been no significant changes in the principal activities during the financial period under review.

The Group's products are sold in China and overseas markets, under the Group's own brands name "Powerland" for Luxury segment products and "Sotto" for Casual segment products as well as under other third party brand names (i.e. Original Equipment Manufacturer ("OEM") mode).

Powerland's retail distribution network for Luxury segment consists of outlets being operated mostly by unaffiliated outlet owners who have been engaged by unaffiliated distributors that Powerland appointed. Powerland only has contractual relationships with the unaffiliated distributors based on standardised distribution agreements. Powerland's will also open its own stores to sell the luxury segment products.

3 BASIS OF PREPARATION

The condensed interim consolidated financial statements of Powerland AG for the period ended 30 June 2011 have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively referred to as "IFRS") issued by the International Accounting Standards Board ("IASB"), including the IFRS Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union ("EU IFRSs").

These financial statements represent the condensed interim consolidated financial statements prepared by Powerland AG taking into considerations the requirements of IAS 34 *"Interim Financial Reporting"*. Accordingly, these condensed interim consolidated financial statements do not include all of the information required in annual consolidated financial statements by IFRS. Consequently, these condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements (prepared at Powerland Hong Kong level) for the financial year ended 31 December 2010 as incorporated in the Prospectus dated 23 March 2011 and the first set of Powerland AG's condensed interim consolidated financial statements for the period ended 31 March 2011. The condensed interim consolidated financial statements are unaudited, but subject to a review by the auditors.

The principal accounting policies adopted in the preparation of the interim consolidated financial statements are set out below. These policies have been applied consistently and also formed the basis of preparation for the consolidated financial statements (prepared at Powerland Hong Kong level) for the financial year ended 31 December 2010. The condensed interim consolidated financial statements have been generally prepared under the historical cost convention except as otherwise stated in the condensed interim consolidated financial statements.

The preparation of condensed interim consolidated financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates. Thus, the Directors of the Company are responsible for preparing the condensed interim consolidated financial statements.

The operating subsidiaries in China ("Chinese subsidiaries") maintain their accounting records in RMB and prepare their statutory financial statements in accordance with Chinese generally accepted accounting practice. The financial statements of these subsidiaries have been included in the condensed interim consolidated financial statements on the basis of their statutory records, with adjustments and reclassifications recorded for the purpose of the fair presentation in accordance with EU IFRS.

The condensed interim consolidated financial statements are presented in thousand of Euro ("EUR'000"), unless otherwise stated.

All subsidiaries of the Company are consolidated.

4 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ESTIMATES

4.1 Significant accounting policies

These condensed interim consolidated financial statements have been prepared using accounting policies specified by those IFRSs that are in effect at the end of the reporting period (30 June 2011). The condensed interim consolidated financial statements have been prepared in accordance with the accounting policies adopted in the consolidated financial statements for the financial year ended 31 December 2010 and the condensed interim consolidated financial statements for the period ended 31 March 2011. The accounting policies have been applied consistently throughout the Group for the purpose of preparation of these condensed interim financial statements.

4.2 Changes in estimates

There have been no significant changes in estimates compared to the consolidated financial statements of the Group for the financial year ended 31 December 2010.

5 NEW IFRSS AND INTERPRETATIONS NOT ADOPTED

The following new or revised standards, interpretations and amendments to published standards were approved, but will not be applicable for Powerland Group for the Q2 2011 and were not adopted early in these condensed interim consolidated financial statements:

(a) IFRS 9 Financial Instruments – Classification and Measurement is mandatory for annual periods beginning on or after 1 January 2013.

(b) IFRS 1 First-time Adoption of International Financial Reporting Standards – Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs' is mandatory for annual periods beginning on or after 1 July 2011.

(c) IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional exemption for entities ceasing to suffer from severe hyperinflation is mandatory for annual periods beginning on or after 1 July 2011.

(d) IFRS 7 Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets is mandatory for annual periods beginning on or after 1 July 2011.

(e) IAS 12 Income Taxes – Limited scope amendment (recovery of underlying assets) is mandatory for annual periods beginning on or after 1 January 2012.

Management does not expect the standards to have a material effect on the Group's financial statements.

6 FUNCTIONAL AND PRESENTATION CURRENCY

The Management Board has determined the currency of the primary economic environment, in which the Group operate, to be Renminbi ("RMB"). Sales and major cost arising from the provision of goods and services including major operating expenses are primarily incluenced by fluctuation in RMB.

The presentation currency of these financial statements is EUR, and therefore the relevant financial information has been translated from RMB to EUR at the following exchange rates:

	Period end rates	Average rates
30 June 2011	RMB 1.00 = EUR 0.1075	RMB 1.00 = EUR 0.1090
31 December 2010	RMB 1.00 = EUR 0.1145	RMB 1.00 = EUR 0.1113
30 June 2010	RMB 1.00 = EUR 0.1207	RMB 1.00 = EUR 0.1103

7 REVENUE

Revenue represents sale of luggage, bags and leather products. The following table provides a breakdown of revenues for the financial period:

in EUR'000	Q2 2010	Q2 2011	H1 2010	H1 2011
Revenue from sales of:				
Luxury segment products	13,210	18,315	25,500	35,932
Casual segment products				
Fabric products	12,653	12,214	24,923	25,509
Synthetic leather products	1,851	2,839	3,414	5,980
	14,504	15,053	28,337	31,489
Revenue	**27,714**	**33,368**	**53,837**	**67,421**

8 COST OF SALES

Cost of sales comprise of raw materials consumed for production, direct labour costs for personnel employed in the production, production overheads incurred for the production, direct purchase costs of finished goods and movements in inventories of finished goods and work in progress.

9 SELLING AND DISTRIBUTION COSTS

Selling and distribution costs comprise marketing and advertising costs, sponsorship granted to distributors in relation to renovation of retail outlets, transportation costs for product delivery, staff costs for employees engaged in the sales and marketing department, depreciation charges and other miscellaneous expenses in connection to sales activities.

10 ADMINISTRATIVE AND OTHER EXPENSES

Administrative and other expenses comprise, among others, staff costs for management and other employees with administrative functions, depreciation and amortisation charges, research and development expenses including external and internal design costs, utilities costs, travel expenses, entertainment expenses and other miscellaneous office expenses incurred for administrative purposes, fines and donations, and other taxes and tax surcharges.

11 NET FINANCE COSTS

Net financing costs comprise of interest expense and net foreign exchange loss, set off by interest income and net foreign exchange gain.

12 TAX EXPENSE

Tax expense for respective taxation authorities are calculated at the rates prevailing in these jurisdictions. During the financial periods ended 30 June 2011 and 30 June 2010, the applicable enterprise tax rates for the respective consolidated entities are as follows:

(i) Powerland AG	30.0%
(ii) Powerland Hong Kong	16.5%
(iii) PFL and PGL	25.0%

However, being foreign-invested entities, PFL and PGL were granted tax exemption for two (2) financial years and tax rebate of 50.0 % for subsequent three (3) financial years. Details of the tax incentive periods are as follows:

in years	Tax exemption	Tax exemption
Applicable enterprise tax rates	**(0.0%)**	**(12.5%)**
PFL	2006 - 2007	2008 - 2010
PGL	2007 - 2008	2009 - 2011

13 EARNINGS PER SHARE

Basic earnings per ordinary share for the financial period is calculated by dividing the profit for the financial period attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

At 11 April, 2011, Powerland AG issued 5,000,000 new shares in initial public offering in return for a contribution in cash. For the purpose of calculating basic earnings per share, the number of ordinary shares shall be weighted. The weighted average number of ordinary shares was calculated by the time-weighted factor.

Earnings per share calculation is based on the profit of the period and average weighted shares. The calculation has been computed on the basis of an average of 14,444,444 for the second quarter 2011 and 12,222,222 for the first half year 2011.

	Q2 2010	Q2 2011	H1 2010	H1 2011
Profit from continuing operations attributable to equity holders of the parent company (EUR'000)	5,439	5,337	11,493	12,498
Weighted average number of ordinary shares in issue ('000)	10,000*	14,444	10,000*	12,222
Basic earnings per ordinary share (EUR)	0.54	0.37	1.15	1.02

* *As the Group is regarded as continuing entity resulting from the reorganisation exercise involved the combination of entities under common control and the consolidated financial statements had been prepared on the basis that the Group had been in existence as a single economic enterprise throughout the periods presented and as if Powerland Hong Kong, together with its wholly-owned Chinese subsidiaries, were transferred to the Company as of 1 January 2010. Assets, liabilities, revenue and expenses of Powerland AG, Powerland Hong Kong and the two Chinese subsidiaries as shown in their individual financial statements for the period prior to the legal formation of the Company were combined or aggregated and consolidated in preparing the condensed consolidated financial statements as if they had been in effect since the beginning of the previous financial period, i.e. 1 January 2010, the computation of basic earnings per share for Q1 2010 and H1 2010 was based on the 10,000,000 ordinary shares issued during the reorganisation exercise as if they were issued on 1 January 2010.*

14 OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer/ Director of the Group that makes strategic decisions.

In identifying the operating segments, the Chief Executive Officer generally follows the Group's product categories. These segments also represent reportable segments under IFRS 8.

The operating segments are not yet managed separately as the Group has grown significantly only since 2008 and the other resources used in the segments do not differ significantly. Hence revenue and costs are allocated in detail to segments only up to gross profit. Due to the strategic goals of the Group, the intended further growth of the Group and its ongoing organizational development, a change in the segmental structure may become indispensable in the future.

During the period under review, there were no inter-segment transfers.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Management currently identifies the Group's two product categories as operating segments. These operating segments are monitored and strategic decisions are made on the basis of segmental gross margins.

in EUR'000	Luxury	Casual segment	Total
Q2 2010			
Revenue	13,210	14,504	27,714
Cost of sales	– 7,311	– 9,212	– 16,523
Gross profit	**5,899**	**5,292**	**11,191**
EBIT	2,083	4,469	6,552
EBIT margin in %	15.8%	30.8%	23.6%

in EUR'000	Luxury	Casual segment	Total
Q2 2011			
Revenue	18,315	15,053	33,368
Cost of sales	– 9,174	– 9,151	– 18,325
Gross profit	**9,141**	**5,902**	**15,043**
EBIT	4,132	4,254	8,386
EBIT margin in %	22.6%	28.3%	25.1%

in EUR'000	Luxury	Casual segment	Total
H1 2010			
Revenue	25,500	28,337	53,837
Cost of sales	– 14,209	– 18,053	– 32,262
Gross profit	**11,291**	**10,284**	**21,575**
EBIT	5,076	8,567	13,643
EBIT margin in %	19.9%	30.3%	25.3%

in EUR'000	Luxury	Casual segment	Total
H1 2011			
Revenue	35,932	31,489	67,421
Cost of sales	– 18,263	– 18,971	– 37,234
Gross profit	**17,669**	**12,518**	**30,187**
EBIT	8,848	9,543	18,391
EBIT margin in %	24.6%	30.3%	27.3%

The Group's revenues from external customers are divided into the following geographical areas:

in EUR'000	Q2 2010	Q2 2011	H1 2010	H1 2011
Geographical analysis of revenue				
Domestic	24,090	30,364	48,242	61,841
Overseas (export directly)	3,624	3,004	5,595	5,580
Group's revenues from external customers	**27,714**	**33,368**	**53,837**	**67,421**

Revenues from external customers in the Group's economic domicile, China, have been identified on the basis of the internal reporting system, which is also used for VAT purpose. "Domestic" refers to sales to customers located in China. "Overseas (export directly)" refers to sales to customers located outside China, i.e. South Africa, United States, United Arab Emirates and etc.

During the H1 2011 and H1 2010 respectively, there were two (2) major customers with whom the transactions represent more than 10 % of the Group's revenue. These major customers have contributed a total sum of EUR 14,202 thousand and EUR 13,269 thousand to the casual segment during the H1 2011 and H1 2010 respectively.

Figures presented for the Group's reportable segment equal to the Group's financial figures as presented in the condensed interim consolidated financial statements. Hence, no reconciliation is being prepared.

15 SHARE CAPITAL

The Company was founded on 21 February 2011 and the formation was completed on 14 March 2011. Upon effectiveness of the Company's formation, the Company was incorporated on 14 March 2011 with the authorized capital of EUR 10,000,000 which is divided into 10,000,000 par value ordinary shares with a nominal interest in the share capital of EUR 1.

Pursuant to a share contribution agreement dated 24 February 2011, the then sole shareholder of the Company, Guo GmbH & Co. KG, transferred its entire shareholdings in Powerland Hong Kong in exchange for 10,000,000 no par value bearer shares in Powerland AG at an issue price of EUR 1.00 each.

On 11 April, 2011, Powerland AG increased the capital against cash contribution by an initial public offering up to 5,000,000 new ordinary bearer shares non par value, which having a nominal amount of the share capital of EUR 1.00 each. Upon implementation and registration of the capital increase of the issuance of the new shares, the share capital amounts to EUR 15,000,000, which are being traded in Prime Standard at Frankfurt Stock Exchange with ISIN DE000PLD5558.

According to the initial public offering placement, Powerland AG raised the gross proceeds of EUR 75,000,000 from 5,000,000 new shares of offering price EUR 15.00 each. The surplus of EUR 70,000,000 was recorded as capital reserve in accordance to the German Company Law. The equity transaction costs were recorded as capital surplus deduction. The amount of deduction from capital surplus was recorded as EUR 7,613 thousand.

All shares are no par value bearer shares with a notional amount of the share capital of EUR 1.00 each. The Company's registered share capital is fully paid up.

Pursuant to a shareholder's resolution on 22 March 2011, the share capital of the Company was increased from EUR 10,000,000 comprising of 10,000,000 no par value bearer shares to EUR 15,000,000 comprising of 15,000,000 no par value bearer shares for the purpose of the IPO. Total Company received gross proceeds from the IPO of EUR 75 million on 11 April 2011 for the 5 million new shares issued.

16 RESERVES

Reserves	Description and purpose
Retained earnings	Cumulative net gains and losses recognised in the consolidated statements of comprehensive income.
Exchange translation reserve	Exchange translation reserve represents the foreign currency translation difference arising from the translation of the financial statements from RMB to EUR.
Consolidation reserve	The consolidation reserve arises from the share capitals of the subsidiaries and their non-distributable reserves, as well as the difference between the nominal value of the shares issued by the Company in exchange for the entire shareholding in Powerland Hong Kong and the IPO expenses charged to capital reserves.

17 DEFERRED TAX ASSETS

Powerland AG will accumulate a net loss under German GAAP at the end of the H1 2011. It will mainly result from the IPO costs. Powerland AG expects a net taxable income in the future by lending parts of the proceeds raised during the IPO to its subsidiaries. The amount recognized as deferred tax asset (EUR 104 thousand) has been calculated based on the estimation of net taxable income of the next five years.

18 RELATED PARTY DISCLOSURES

(a) *Identities of related parties*

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

The relationship and identity between the Company and its related parties are as follows:

Identities of related parties	Relationship with the Group
Guo Shunyuan	CEO and controlling party
Guo Shunfa	Brother of Mr. Guo Shunyuan
Putian City Powerland Trading Co., Ltd. ("Powerland Trading")	Company in which immediate family of a Director of the Company has financial interests
Powerland (Australia) International Trading Co., Ltd.	Company in which immediate family of a Director of the Company has financial interests

(b) In addition to the transactions detailed elsewhere in the condensed interim consolidated financial statements, the Group had the following transactions with related parties during the financial period:

in EUR'000	as at 31.12.2010	as at 30.6.2011
Short term borrowings granted by bank from:		
Joint guarantee by a Director and third parties	9,498	9,535
Joint guarantee by a Director and related party	2,619	3,740
Personal guarantee by a Director	6,020	4,037
Long term borrowings granted by bank from:		
Personal guarantee by a Director	2,226	1,548
Joint guarantee by a Director and a subsidiary	1,503	1,209

in EUR'000	H1 2010	H1 2011
Related party – sale of products	94	–

19 SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

(a) Powerland AG was founded by Guo GmbH & Co. KG ("the Founder") by means of a notarial deed of incorporation Roll of Deeds No. 48/2011 of the notary Dr. Andreas Bittner, Frankfurt am Main dated 21 February 2011. The incorporation of Powerland AG shall take the form of contribution-in-kind.

Pursuant to a share contribution agreement dated 25 February 2011, the sole shareholder of the Founder, Mr. Guo Shunyuan, had transferred his entire shareholdings in Powerland Hong Kong comprising 10,000 units of ordinary shares of hk$ 1.00 each in exchange for 10,000,000 no par value bearer shares in Powerland AG at an issue price of eur 1.00 each.

Consequently, Powerland Hong Kong became the wholly-owned subsidiary of Powerland AG.

The Group is regarded as continuing entity resulting from the reorganisation exercise since the management of all the above entities, which took part in the reorganisation exercise were controlled by the same management and under the common controlling party, i.e. Mr. Guo Shunyuan before and immediately after the reorganisation exercise. Consequently, there was a continuation of the control over the entities' financial and operating policy decision and risk and benefits to the ultimate control party that existed prior to the reorganisation exercise. The reorganisation exercise has been accounted for as restructuring transactions under common control.

(b) On 11 April 2011, Powerland AG was successfully listed on the Frankfurt Stock Exchange in Germany. Total Company received gross proceeds from the IPO of EUR 75 million on 11 April 2011 for the 5 million new shares issued.

20 MATERIAL EVENTS AFTER THE REPORTING PERIOD

No material events occurred after the reporting period since 30 June 2011.

21 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material changes in contingent liabilities as against 31 December 2010 and there were no contingent assets as of 30 June 2011.

22 CASH FLOW STATEMENT

The Powerland Group's cash flow statement shows the changes that occurred in cash and cash equivalents during the year under review on the basis of cash transactions. Pursuant to IAS 7, cash flow are reported separately according to source and application in operating activities, investing activities and financing activities. Cash flow are derived using the "indirect method" from the Group's net income.

Changes in the statement of financial position items presented in the cash flow statement cannot be derived directly from the statement of financial position due to adjustment for currency effects.

23 STOCK OPTION PLAN

In connection with a stock option plan (the "Stock Option Plan 2011"), the Company intends to grant to certain members of its Management Board and other members of senior management rights to purchase shares in the Company (the "Stock Options").

The Company's Supervisory Board is responsible for deciding about the issuance of Stock Options to members of the Management Board and the further details of the issuance. A maximum amount of 500,000 Stock Options may be issued under the Stock Option Plan 2011 within a period of 10 years. The term of such Stock Options commences on the day of the issuance of Stock Options and ends after seven years.

Stock Options may only be exercised after a holding period of four years. Furthermore, the participating member of the Management Board or senior management may only exercise up to 50 % of his or her Stock Options during the first year following expiration of the holding period and further 50 % in the year thereafter. The shares needed for the Stock Option Plan 2011 may be derived from the Company's conditional capital in the amount of EUR 500,000.

The exercise of Stock Options is conditional upon the fulfillment of certain performance targets based on the development of the stock market price for the shares of the Company within the period from issuance to the exercise of the respective Stock Option. The performance targets contained in the Stock Option Plan 2011 relate to the development of the stock market price of the Company's shares in the period from the granting of the Stock Option until the exercise of the Stock Option, and correspond to an average increase of the stock market price of the Company's shares of 8 % per year.

The exercise price for Stock Options issued after registration of the conditional capital and before the expiration of 30 days after admission of the Company's shares to trading will be 100 % of the price per Offer Share during IPO. The exercise price for Stock Options issued at a later date will correspond to the average stock price of the Company's shares on twenty immediately sequent trading days before the date of issuance of such Stock Options. Each Stock Option entitles its holder to purchase one share in the Company from the conditional capital created for this purpose against payment of the exercise price.

No stock option has been granted yet as at 30 June 2011 and as of the date of this report.

24 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issuance by the Company´s Management Board on 24 August, 2011.

REVIEW OPINION

Free Translation of the Report on the Review of Condensed Interim Consolidated Financial Statements and of the Interim Group Management Report for the period from January 1, 2011 to June 30, 2011 of the Powerland AG, Frankfurt am Main

To Powerland AG

We have reviewed the condensed interim consolidated financial statements of the Powerland AG, Frankfurt am Main, comprising the condensed statement of financial position, the condensed income statement, the condensed statement of comprehensive income, the condensed statement of changes in equity, the condensed statement of cash flows and selected explanatory notes, together with the interim group management report of the Powerland AG, Frankfurt am Main, for the period from January 1, 2011 to June 30, 2011, that are part of the semi annual financial report pursuant to Article 37W WpHG (Wertpapierhandelsgesetz: German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the company´s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review such that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor´s report.

Based on our review no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hamburg, August 24, 2011

BDO AG
Wirtschaftsprüfungsgesellschaft

Dr. Zemke	Green
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

RESPONSIBILITY STATEMENT

We hereby declare that – to the best of our knowledge – the consolidated financial statements prepared in accordance with the applicable financial reporting standards give a true and fair view of the assets, financial and earnings position of the Group. Furthermore, we hereby declare that the interim Group management report presents a true and fair view of the course and results of business and the state of the Group and describes the main risks and rewards of the Group's likely future development.

Guangzhou, 24 August 2011
Management Board

FINANCIAL CALENDAR

August 24, 2011	Interim Report First Six Months 2011
November 17, 2011	Interim Report First Nine Months 2011
November 21-23, 2011	Analyst Conference Deutsches Eigenkapitalforum, Frankfurt/Main

IMPRINT

Investor Relations (China)
Powerland Group
Contact person: Jiangbin He
A2-1, Kehui Jingu International Headquarters
No. 99 Science Avenue, Luogang District
Guangzhou 510663

Phone: +86 20-3209 6776
Fax: +86 20-3209 6771
Internet: http://www.powerland.ag
E-Mail: ir@powerland.ag

Investor Relations (Germany / Europe)
PvF Investor Relations
Contact person: Jörg Peters
Hauptstrasse 129
65760 Eschborn | Germany
Phone: +49 172 - 67 49 792
Fax: +49 6196 - 777 99 66

Concept, design and realization
DianaDesign | Berlin, Germany
www.dianadesign.de

DISCLAIMER

No offer or investment recommendation
This report has been prepared for information purposes only. It does not constitute an offer, an invitation or a recommendation to purchase or sell securities issued by the Powerland AG or any other company. This report does not constitute a request, instruction or recommendation to vote or give consent. All descriptions, examples and calculations are included in this report for illustration purposes only.

Future-oriented statements
This report contains future-oriented statements that are based on current assumptions, plans, estimates and forecasts of the management of Powerland. Such future-oriented statements are therefore only valid at the time at which they are published for the first time. Future-oriented statements are indicated by the context, but may also be identified by the use of the words "may", "will", "should", "plans", "intends", "expects", "believes", "assumes", "forecasts", "potentially" or "continued" and similar expressions.

By nature, future-oriented statements are subject to risks and uncertainties that cannot be controlled or accurately predicted by Powerland. Actual events, future results, the financial position, development or performance of Powerland may therefore diverge considerably from the future-oriented statements made in this report. Therefore it cannot be guaranteed nor can any liability be assumed otherwise that these future-oriented statements will prove complete, correct or precise or that expected and forecast results will actually occur in the future.

No obligation to update the Information
Powerland assumes no obligation of any kind to update the information contained in this report or to adjust or update future-oriented statements to future events or developments.

POWERLAND

Powerland AG
Westhafentower, Westhafenplatz 1
60327 Frankfurt/Main
Phone +49 69 - 710 456 167
Fax +49 69 - 710 456 450
ir@powerland.ag | www.powerland.ag