



Foundation Board (as of 31.12.2011)

| | | First elected | Elected until |
|----------------------------------------------------------|------------------|---------------|---------------|
| Chairman | | | |
| Richard de Tscharner <i>Photographer</i> | Coppet (VD) | 2008 | 2012 |
| Vice-Chairman | | | |
| Guy Vermeil <i>Attorney-at-law</i> | Vandoeuvres (GE) | 2008 | 2013 |
| Attribution Committee | | | |
| Nicolas Borsinger de Baden <i>Foundation Director</i> | Geneva (GE) | 2010 | 2012 |
| Igor Ustinov <i>Sculptor</i> | Lausanne (VD) | 2008 | 2013 |
| Photography Committee | | | |
| William A. Ewing <i>Professor, historian</i> | Chardonne (VD) | 2009 | 2013 |
| Jean-Baptiste Huynh <i>Photographer</i> | Paris (France) | 2008 | 2012 |
| Simon Studer <i>Gallery owner</i> | Geneva (GE) | 2010 | 2013 |
| Member | | | |
| Kevin von Tscharner <i>Businessman</i> | Coppet (GE) | 2008 | 2012 |

The Chairman is an ex officio member of both committees.

The work of the Foundation

The activities undertaken in recent years and the creation, in 2010, of a Photography Committee and an Awards Committee encouraged us, during the financial year under review, to further reflect on different ways to promote the long-term visibility and efficiency of the Foundation.

With this in mind, we are currently examining, among other projects, the possibility to hold a contest to select a talented young photographer and offer them the opportunity to showcase their creativity and complement Richard de Tscharner's work on the theme Traces of the Past. This project also supports the areas of the transmission of knowledge as well as photography and would undoubtedly promote the Foundation's impact.

In 2008, during Richard de Tscharner's tour around the world, the Carène Foundation started a partnership with the company Ovale. Today, this partnership has given birth to a project to promote the color prints taken on this trip.

In 2012, the Z'ART gallery in Zermatt is exhibiting photographs that Richard de Tscharner took during his 2011 travels in Indonesia and in Greenland on the theme Ashes and Ice.

Cultural projects supported

In 2010, we selected three cultural projects to support. In 2011, it was with great pleasure that we followed the enthusiasm and the professionalism the recipients of the awards had shown in taking all the necessary steps to successfully carry out the following projects:

Société capoise d'histoire et de protection du patrimoine, Cap-Haïtien, Haïti Conservation of the archives of the Registry of the Court of First Instance.

Unfortunately, because of the circumstances, we were forced to acknowledge that a delay had occurred in one of the selected projects, namely the Conservation of the archives of the Registry of the Court of First Instance, because of the particularly precarious conditions in Haiti. However, we are expecting their final report and hope that their work can move forward as well as possible.

Museo Ixchel del Traje Indigena, Guatemala City, Guatemala Conservation of the Mayan textile tradition

On the other hand, the Museo Ixchel del Traje Indigena in Guatemala City, which holds the largest collection of Mayan textiles in the world, was able to carry out,

through its excellent organization, the storage and preservation of the first part of its collection of su't. Given the high quality of the work accomplished by the museum's team and their appreciation towards our Foundation, the Board members decided to grant an additional amount of USD 20,400 for 2012 for the completion of the conservation of the remaining 448 su't.

Award: USD 20,400

Sovanna Phum Art Association, Phnom-Penh, Cambodia

An artistic platform in the field of Khmer shadow puppet theatre, dance and traditional music.

Lastly, in Cambodia, the Sovanna Phum Art Association takes part in the promotion of traditional Khmer art. Our contribution in 2010 was intended to ensure the renewal of the figurines used for their shadow theatre performances. However, in order to give the company the opportunity to perform throughout the country, in 2011 the Board members approved an additional award of USD 16,988 in order to co-finance the purchase of a truck and a mobile stage and partly the artists performing on tour. This will allow the Association to participate, in 2012, in a project for the early detection of leprosy in collaboration with the Ministry of Health and the CIOMAL Foundation. Given the high illiteracy rate in the country, the Sovanna Phum Art Association's mission is mostly aiming at raising awareness among the population concerning the dangers of leprosy.

Award: USD 16,988

Financial Report

We recorded total income of CHF 117,705 during the 2011 financial year. The sales of photographs and books have continued to benefit from the 2010 exhibition in Geneva and amount to CHF 57,294. Financial products remain positive with on the one hand an income of CHF 15,879 for Accrued interests and Dividends as well as an amount of CHF 41,132 for Capital gains on securities, which totals up to CHF 57,011. Moreover, Donations received amount to CHF 3,400.

As for Expenditure, Print production, framing and transport costs amount to CHF 17,219; the Exhibit fees, that is commissions on photographs sales, amount to CHF 12,813. The total expenses related to photographs amount therefore to CHF 30,032. When these costs are deducted from the total income generated by the sales of photographs, a surplus of CHF 27,262 appears for 2011.

The Contributions awarded to the projects supported during the 2011 financial year amount to CHF 28,963 compared with CHF 56,000 the year before. It should be

noted that we benefited from the low US dollar exchange rate in August 2011 in order to fund cheaply this currency in view of the contributions to be awarded at the end of the year.

As for Financial expenses, we recorded an amount of CHF 39,780 under Losses on securities. Building up Provisions for exchange rate fluctuations during the years when the stock markets are strong allows us to mitigate the excessive volatility of operating revenues when the markets are weak. The adjustment of this provision amounted to CHF 45,000 allowing us to offset the losses on securities.

Adding to these expenses the Administrative expenses and Miscellaneous expenses, the total amount for 2011 is CHF 59,115. The resulting Operating profit amounts to CHF 58,590. Given the balance of previous years' losses, amounting to CHF 47,301, the operating gain in 2011 allowed us to record a surplus of CHF 11,289 in the balance sheet.

As of December 31st 2011, our balance sheet presented Available assets amounting to CHF 472,764 (compared to CHF 352,210 a year earlier) and Long-term investments amounting to CHF 498,635 (compared to CHF 678,041 at the end of 2010). This reflects a more conservative approach concerning the portfolio of Securities in a context marked by monetary and financial turmoil during the second semester of 2011. The heading Photographs and books in stock has progressed and at the end of 2011 it amounted to CHF 163,119 compared to CHF 135,359 a year earlier.

Total assets amount to CHF 1,139,289 compared to CHF 1,176,087 in 2010; that shows a decrease of CHF 36,798 due to the fact that at the end of 2010 the balance sheet included the heading Accrued expenses and deferred income which amounted to CHF 50,000 and was meant for the 2010 contributions awarded to projects that had not been paid out yet.

2011 Financial statements

PROFIT AND LOSS ACCOUNT

COMPARATIVE PROFITS AND LOSSES FOR 2011 AND 2010 (CHF)

| | 2011 | 2010 |
|----------------------------------------------------|----------------|-----------------|
| INCOME | | |
| Operating revenues | | |
| Sales of photographs | 55'185 | 39'945 |
| Sales of books | 2'109 | 2'408 |
| Total | 57'294 | 42'353 |
| Donations | | |
| Donations received | 3'400 | 735 |
| Financial revenues | | |
| Interest received | 15'879 | 12'909 |
| Capital gains on securities and exchange gains | 41'132 | 39'335 |
| Total | 57'011 | 52'244 |
| Total income | 117'705 | 95'332 |
| EXPENDITURE | | |
| Operating costs | | |
| Print production and transport costs | 17'219 | 17'927 |
| Exhibition costs (gallery commissions) | 12'813 | 4'974 |
| Total | 30'032 | 22'901 |
| Administrative costs | | |
| Graphics, website and printing costs | 840 | 2'788 |
| Set up and running expenses | 4'382 | 4'709 |
| Total | 5'222 | 7'497 |
| Awards and donations | | |
| Awards to supported projects | 28'963 | 56'000 |
| Financial costs | | |
| Bad debts | (275) | (1'005) |
| Provision relating to securities | 39'780 | 30'849 |
| Exchange loss | 244 | 0 |
| Interest and bank charges | 149 | 0 |
| Variation of provision for inventory price changes | (45'000) | 0 |
| Total | (5'102) | 29'844 |
| Total expenditure | 59'115 | 116'242 |
| <u>Profit (loss) for the year</u> | 58'590 | (20'910) |

BALANCE SHEET

COMPARISON OF BALANCE SHEETS AT 31 DECEMBER 2011 AND 2010 (CHF)

| | 2011 | 2010 |
|---------------------------------------|------------------|------------------|
| ASSETS | | |
| Current assets | | |
| Liquid assets | 472'764 | 352'210 |
| Debtors | 0 | 5'500 |
| Del credere | 0 | (275) |
| Withholding tax | 2'666 | 3'445 |
| Accrued income and prepaid expenses | 2'105 | 1'807 |
| Total | 477'535 | 362'687 |
| Long-term investments | | |
| Bonds | 51'894 | 103'575 |
| Convertible bonds and warrants | 0 | 66'994 |
| Equities | 398'758 | 456'111 |
| Alternative funds | 47'983 | 51'361 |
| Total | 498'635 | 678'041 |
| Engaged in operations | | |
| Photographs in stock | 163'119 | 135'359 |
| Total assets | 1'139'289 | 1'176'087 |
| LIABILITIES AND EQUITY | | |
| Short-term debts | | |
| Accrued expenses and deferred income | 3'500 | 53'888 |
| Provision | | |
| Provision for inventory price changes | 124'500 | 169'500 |
| Equity | | |
| Capital | 1'000'000 | 1'000'000 |
| Profit (loss) | 11'289 | (47'301) |
| Total liabilities and equity | 1'139'289 | 1'176'087 |
| NET PROFIT | | |
| Deferred balance (01.01.2011) | (47'301) | (26'391) |
| Profit (loss) for 2011 | 58'590 | (20'910) |
| <u>NET RESULT</u> | 11'289 | (47'301) |



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