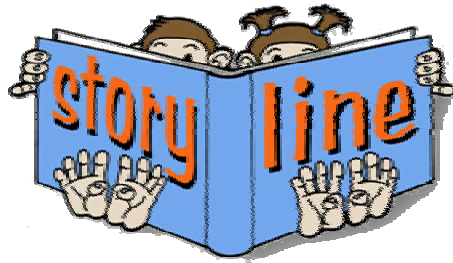


COMPANY REPORT

2007 – 2008

Storyline



BELGIUM (Flanders)

STUDENTS

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EXECUTIVE SUMMARY

COMPANY NAME

The name of our company is “Storyline”. Literally this means “Line of stories”, which is exactly what we are offering.

MISSION STATEMENT

The mission of our young enterprise is to teach little children new words in a playful tone and with a cheerful story. In this manner, we aim to be a vital link in the education and development of our readers. We are trying to help them discover the world, which we consider a very meaningful enterprise. To be able to make children smile would certainly be one of the greatest achievements here.

But of course we would like to learn a lot ourselves as well, being “young entrepreneurs”. During this project, we have become acquainted with various aspects of successful business life, such as teamwork, helping each other, showing initiative, creativity, leadership and many more. So it has been meaningful for our education and development as well.

PRODUCT

Storyline is the publisher of children’s books with two monkeys, Bibby and Bobby, as the leading characters. The characters are unique and were created by the young entrepreneurs themselves. The stories were also created and written by the young team. Two books have been launched: “Bibbi and Bobbi in the woods” and “Bibbi and Bobbi in the snow”.

Both stories have also been translated into English and Swedish.



FINANCIAL RESULTS

Until 15 June, Storyline’s turnover amounted to 3,432.03 EUR. The expenses amounted to 1,796.73 EUR. Consequently, the result before taxes amounted to 1,635.30 EUR. The result after income taxes came up to a net result of 1,079.46 EUR.

This means that Storyline has a return on equity of 196.27 %. The earnings per share amounted to 19.63 EUR. The value of the Storyline share was of 29.63 EUR on June 15, which amounts to almost the triple of the nominal value of 10 EUR.

COMPANY PERFORMANCE

In September 2007 our team of eight entrepreneurs with a lot of courage plunged into the Storyline adventure. Our mission was to start up our young enterprise and to make it successful.

Every successful enterprise starts with a good idea. So we have been brainstorming for a very long time about the kind of product to bring forward. The discussions were animated, a lot of ideas were introduced, but they were all pushed to the background when we came up with our final suggestion: publishing a children’s book. We all agreed this was an excellent and exciting idea.

Enthusiastically we got busy and we transformed the idea into a real product. Our mission was clear: with our children’s books we wanted to bring together parents and their little children and to let them enjoy our own-made stories.

The leading characters of our books are two little monkeys, Bibbi and Bobbi. Together with their friends they have the most exciting adventures.

Not only do we want to tell children a nice story, we also focus on education. One of our aims is to teach the little readers something. That is why on each page on the right side of the book a number of basic words are written down and illustrated. In this manner, children will learn new words, while playing. And so Storyline stands for “learning with pleasure”.

To add something extra to our stories, we decided to work with the seasons. Our idea was to publish a new story for every season in the school year (autumn, winter and spring). But taking limited time and budget into account, we decided two books would be launched this year, in autumn and in winter.

After Storyline had won the Flemish finals and had been selected for the European finals in Stockholm, we extended our view from Belgium (Flanders) to the rest of the world. An English and a Swedish edition of our two stories were launched. After all, English is the number one global language, and because Sweden is the host country of the European finals, we would also like to introduce Bibbi and Bobbi to the Swedish children.

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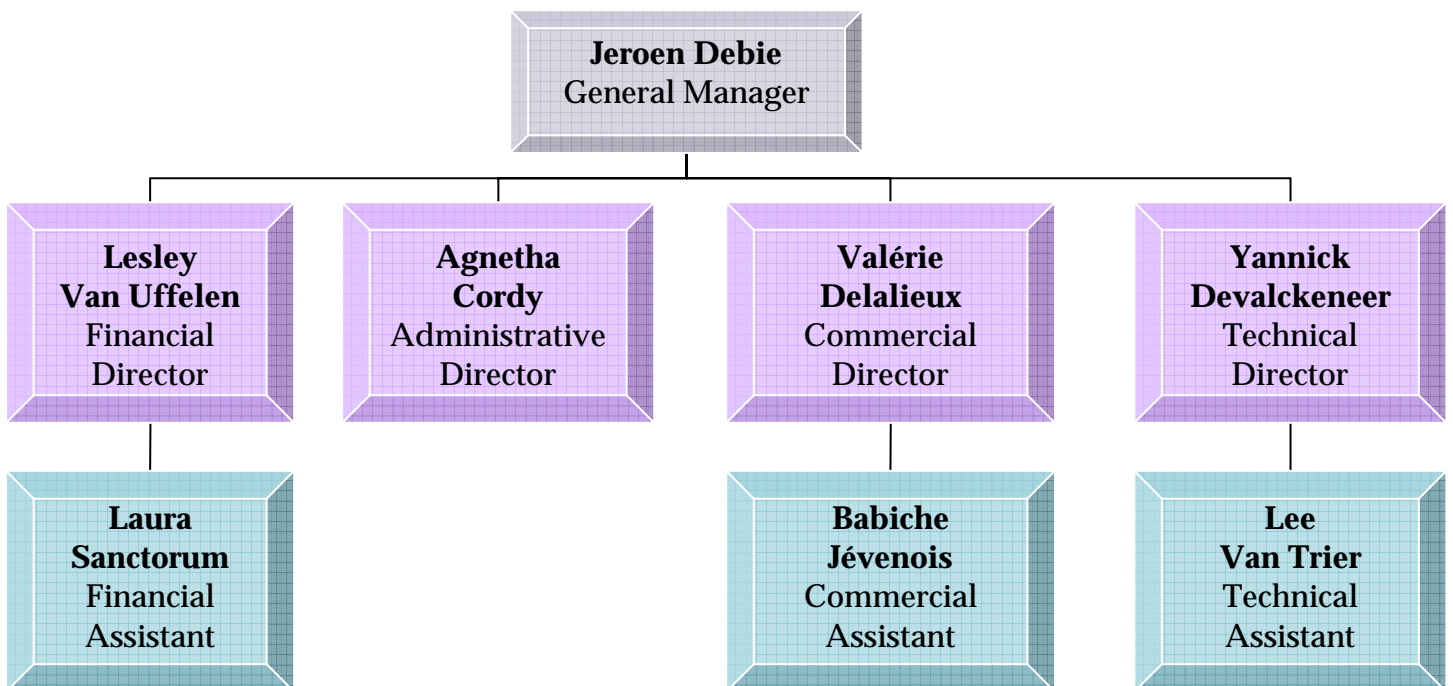
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1. COMPANY STRUCTURE

Storyline is a young enterprise made up of eight enthusiastic and motivated entrepreneurs in their final year of secondary education at the Mater Salvatoris instituut in Kapellen (Belgium). All Storyliners are taking courses in Business Studies.

Our company is divided into departments, each one having its own specific tasks and responsibilities. In the first place, the eight Storyline entrepreneurs are one creative team that makes its strategic decisions together.

More specific tasks in the financial, commercial, administrative or technical area are the responsibility of separate departments. The general manager keeps an eye on the company's general policy and the coordination between the different departments.



2. PRODUCTION AND MARKETING

2.1 THE PRODUCTION PROCES

The Storyline team did all the creative and commercial job on its own, which made an excellent team spirit and a good cooperation more than necessary. As such these are the two strongest points of our company.

Creating Bibbi and Bobbi and inventing the stories are the result of a dynamic and creative team process. All young entrepreneurs do their bit, irrespective of the company department for which they are responsible. In consultation with the general manager the technical department supervises the work.

This is how the process goes:

- All members of the team come together, they invent the story and put the first draft and sketches on paper.
- The cost prices for professional artists and printers are compared and a choice is made.
- The artist uses our sketches and our indications in order to create beautiful and colourful drawings.
- We add the text to the drawings and prepare our product for printing.
- As a last step drawings and text go to the printer's and the children's books can be printed.

2.2 MARKETING AND SALES STRATEGY

The target group of our enterprise are little children between 0 and 6 years old.

Because these children are not able to buy our stories by themselves, we also have to direct our strategy towards the children's parents, family members and friends. We directly approach kindergartens, nurseries and babysitters as well.

With our children's stories, we try to satisfy different needs.

Children enjoy looking at the illustrations and the funny characters. They look at the pictures and try to link them with the story. Parents, but also grandparents or teachers, can read the story to the children. In this manner, children will pick up new words in a playful tone, and parents and their children will undoubtedly have an enjoyable time together.

We have tried to work out different strategies to reach our prospective clients. We set up an original stand and we design flyers and posters. A direct and personal approach is used at all selling points by the members of our young enterprise.

For the decoration of our stand, we work with elements of nature. We play with the seasons, just like our stories do.

There are several reasons why customers would buy a book from our Storyline series.



As previously mentioned, we try to satisfy various needs, for children as well as parents. Another reason could be our fair price-quality ratio. Furthermore, the books are compact and unique. Our product is original and it is our very own creation, which is what makes it so special and authentic. We also direct our sales strategy towards markets and associations.

Since we support the principle “the customer is always right”, we want to be available at all times. Clients can visit our website or ask questions and place orders on our e-mail address:

www.mini-storyline.be

storyline@live.be

Some samples of our posters:



The slogan of our campaign is “Learning while playing with Bibbi and Bobbi!” We have chosen it because it is short and catchy and gives sufficient information about our goal at the same time.

As mentioned before, we use different channels to introduce our product to the world. Not only by means of posters, flyers or an attractive stand, but also by encouraging “mouth-to-mouth advertising”. The higher the quality and the more people who are interested, the higher our sales figures will be!

3. LEARNING EXPERIENCES

THE STORYLINE TEAM

Storyline has been an unforgettable experience for all students.

It is quite clear that this young enterprise has changed us. We have all grown a lot more mature and wise than we were at the beginning of this adventure. Thanks to Storyline, we have become a close group, a solid team that knows the weaknesses and strengths of its team members.

One of Storyline's major strengths is the enormous team spirit. Being classmates all pupils already knew each other before, but it is quite something else to work together in a young enterprise.

Of course there were difficult moments of dealing with deadlines and stress peaks. But at exactly those times, the Storyliners proved that team spirit is the major strength of their young enterprise. We have stood by each other at all times and helped each other out in difficult situations.

But we certainly did learn one thing as a group: if team members click, and are willing to help each other, they are able to move mountains!



Jeroen (General manager)



I feel fine in this position. I like being responsible and as a general manager I always know the state of affairs of Storyline and so I can adjust if necessary. This is an instructive experience which I can take advantage of later on. Storyline is a close team and that's why our company has been proceeding smoothly from the start.

The most important thing I learnt, is that effective communication is essential in a group. In the beginning, I sometimes had difficulties with making sure that all young entrepreneurs were at work. I also had to get used to the idea that I had to take into account everyone's opinions.

Another thing I learnt during the last couple of months, is that doing your best is not always good enough. There is always room for growth in various areas. Learning indeed is a lifelong process...

Yannick and Lee (Technical department)



Within the technical department, we understood that maintaining personal contacts is essential. In our young enterprise, those were especially the contacts with the printing office and the illustrator. We had to make sure that everyone was on the same wavelength at all times.

In this respect good negotiating skills are necessary for the members of the technical department. Persuasiveness is of the utmost importance in order to get a high score with a young enterprise that has only a limited starting capital.

One of the most instructive and at the same time one of the nicest things was the whole production process. How is such a little book produced? At the start there's only an empty page. Then there's a bright idea. After the production process, finally a mother with her little child buys the end product. Just wonderful!

Valérie and Babiche (Commercial department)



Doing a job in the commercial department is nice because it is a perfect preparation to future professional activities. We learn what is necessary to keep your company sound and commercially successful. Moreover we get a personal training with regard to salesmanship. Addressing customers, trying to understand their feelings and to convince them, these are valuable skills for our future careers.

Networking, contacting people, it is something you learn automatically in the commercial department. You have to be communicative, unafraid of taking the first step, and ready to walk up to people and address them. In this respect, we have made enormous progress with our whole team.

For the construction of our stand, we also learnt to have a sharp eye for detail. Small details often make the difference.

Lesley and Laura (Financial department)



For both of us as well the young enterprise is an experience we will never forget. The interesting bookkeeping practices, the team working and our growing motivation will be of help in future life.

As an entrepreneur it is important to be considerate of other company members. We have learnt that it is important to be able to accept other persons' ideas, even though you don't always agree with them. On the other hand, you have to remain critical: do not agree with everything without thinking it over and discussing it first. It is best to find a middle course here. Team spirit again is essential. Because it is the team that makes sure you force your way through difficult times and that keeps your motivation high.

Agnetha (Administrative department)



In itself being a young entrepreneur already is a challenge. With a lot of enthusiasm I accepted that challenge and I will keep doing my best till the very end. I can only confirm: this is a very instructive experience I will never forget.

From the many things I learnt I mention the team working and the stress management. This all-round assignment in our last year of secondary studies is really valuable, since I can test all theory by practical experience. Merely from my function as an administrative director, I especially learnt that it is necessary to work in an orderly and meticulous manner for things to run smoothly. Another value is accuracy. I also learnt what deadlines actually mean: it is quite a responsibility.

4. FINANCIAL RESULTS

The financial figures as presented in this Company Report were closed on 15 June 2008. Until then, 831 copies of Bibbi and Bobbi had been sold, which resulted in a turnover of 3,432.03 EUR. 522 copies of “Bibbi and Bobbi in the woods” and 309 copies of “Bibby and Bobby in the snow” were sold. The English and Swedish editions of Bibbi and Bobbi were not yet printed on 15 June, so these data are not part of the figures in this report.

The printing of the stories involved considerable costs for Storyline. “Bibbi and Bobbi in the woods” has arrived at its third edition; “Bibbi and Bobbi in the snow” has two editions. Each edition consisted of 200 copies. The total printing costs amounted to 1,705 EUR. Of the latest edition (end of May), only 169 of the 400 copies are still in stock. Storyline realizes a net result of 1,079.73 EUR. For the shareholder this means an earning per share of 19.63 EUR.

BALANCE SHEET (in EUR) - Per 15 June 2008

ASSETS		LIABILITIES	
Current assets		Total equity	
Inventories	361.66	Share capital	550.00
Cash and cash equivalents	1,905.40	Retained earnings	1,079.46
		Current liabilities	
		Wages and social security	81.85
		Income tax payable	555.84
TOTAL ASSETS	2,267.15	TOTAL LIABILITIES	2,267.15

INCOME STATEMENT (in EUR) - Until 15 June 2008

Turnover	3,432.03
Expenses	1,796.73
Services and other goods	1,656.49
Remuneration, social security charges	140.24
Result before taxes	1,635.30
Income taxes	555.84
Net result	1,079.46

Note:

The financial figures as presented in this Company Report have been examined and approved by Peter Van Staaij, Partner PricewaterhouseCoopers.



5. FUTURE

5.1 COMMERCIALIZATION OF THE BIBBI AND BOBBI CHARACTERS; PATENT RIGHTS

We are considering to continue the Bibbi and Bobbi adventures after the closing of our young enterprise. We are investigating whether a publishing house would be interested in our Storyline characters. It would be a pity if the end of Storyline would also be the end of Bibbi and Bobbi. To that end we contacted Studio 100, the largest provider of family and children entertainment in the Benelux.

The number of possibilities for commercialization of the Bibbi and Bobbi characters is as good as unlimited: both the creation of a merchandising system (e.g. schoolbags, jigsaw puzzles, rucksacks, t-shirts, pencil boxes, ball pens, eiderdown covers, towels,...) and the release of a Bibbi and Bobbi children's song are worth considering.

At present we are investigating the application for a patent on Bibbi and Bobbi. We invented the characters, so they are our intellectual property. A patent insures you against wrongful use by a third party. Because the legislation with regard to patents is rather complicated, the cabinet of Dirk Van Mechelen, Flemish Minister of Finance, Budget and Regional Development, gives assistance.

A few Storyliners are considering to take Bibbi and Bobbi with them into higher education. As business students they will take part in a Small Business Project (SBP). Why would they not in this new young enterprise develop new stories and make plans for the commercialization of the Bibbi and Bobbi characters?

5.2 DEVELOPMENT OF DIDACTIC MATERIALS FOR NURSERY CLASSES

Storyline considers the development of a box, containing educational material which can be used in nursery classes.

5.3 MATER SALVATORIS ENGLISH MEDIUM SCHOOL (INDIA)

Since 1999 our school has been supporting the Mater Salvatoris English Medium School in the north of the Andhra Pradesh State in India. Storyline will give 30 English children's books to our partner school in India. With this our publishing house wants to help these children to learn and read English words while enjoying funny little stories that are suitable for them. At the same



time by reading these somewhat strange stories they get to know the climate and the culture of the cold Europe, where Bibbi and Bobbi are living and playing.

6. PRIZES

On 15 March 2008, Storyline won the Provincial Finals. The Province of Antwerp is the biggest and most important province in Belgium (and Flanders) and had a total of 148 young enterprises this year. Storyline came out on top of eight selected enterprises.

The jury praised Storyline as “an enterprise showing a strong production process and excelling in creativity”. The chairman continued: “It’s quite something to bring a children’s book on the market. Moreover Storyline has succeeded in commercializing its product. They are stayers who firmly want to achieve their goal.”

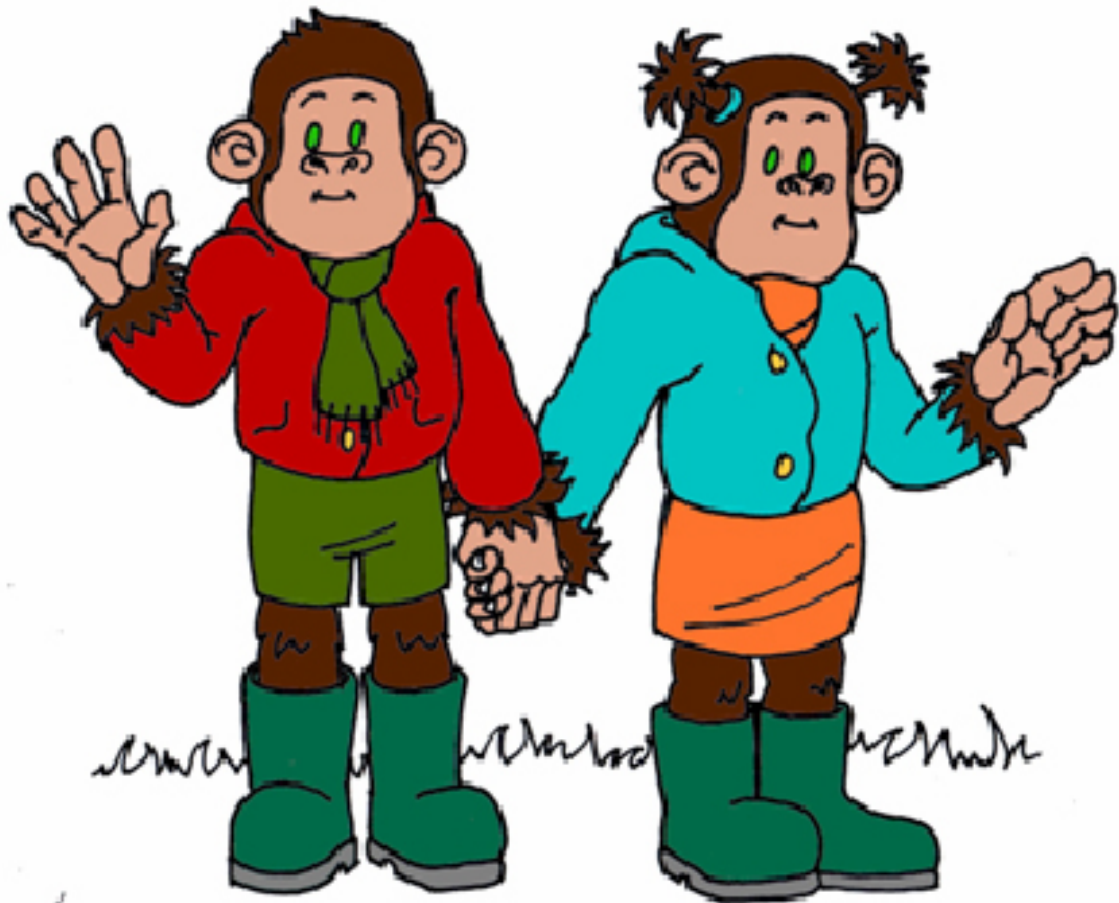


On 26 April 2008, Storyline received the award of “Best Young Enterprise in Flanders”, a competition in which the five best young enterprises took part. The result of this victory is the representation of Belgium (Flanders) in the European Finals. Storyline received the cup from Patricia Ceysens, the Flemish Minister of Economics.

Storyline also received the award for “the most creative young enterprise”.

On 5 May 2008, Storyline was welcomed and honoured at the town hall in Kapellen. In the presence of the Mayor and the provincial delegate, Minister Van Mechelen presented a valuable cheque to Storyline, as a reward and a support for the young company members.





www.mini-storyline.be