ORIFLAME SWEDEN

Interim report 1 January – 30 September 2018

+4%	(1%)	10.3%
LC SALES	EURO SALES	OPERATING MARGIN

Important clarifying information IFRS

- Oriflame has implemented IFRS 15 Revenue from Contracts with Customers from 1st January 2018. An early adoption of IFRS 16 Leases has been made to allow for all changes being implemented at the same time.
- The application of IFRS 15 is impacting the income statement at different levels, both as a one-off adjustment and as reclassifications of costs. In order to facilitate the analysis of the company's underlying performance and minimize the impact from the one-off adjustment, Oriflame has decided to recognise the new IFRS 15 standard in applying the cumulative effect method at the date of initial application, with no restatement of the comparative period presented.
- To facilitate the comparison with the 2017 figures, the company has prepared fully adjusted 2018 figures in the first section of the interim report (pages 1-14), excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The fully adjusted figures are comparable with the already reported 2017 figures.
- Please note that due to accounting principles and the chosen implementation options of the new IFRS standards, the condensed consolidated financial statements on pages 15-24 in the interim report is calculated in accordance with IFRS (following the adoption of IFRS 15 and IFRS 16). These figures are not comparable with the already reported 2017 figures.
- Where not stated differently, the figures, graphs and comments in this interim report are based on the fully adjusted 2018 figures, to facilitate the comparison with the 2017 figures.

Three months ended 30 September 2018

- Local currency sales increased by 4%. Euro sales decreased by 1% to €292.5m (€295.3m). Euro sales amounted to €279.4m* in accordance with IFRS.
- Number of registered actives was stable and amounted to 2.7m.
- EBITDA amounted to €43.4m (€40.0m) and to €42.8m* in accordance with IFRS.
- Operating margin was 10.3% (11.0%), negatively impacted by 160 bps from currencies, and operating profit was €30.0m (€32.5m). Operating margin was 10.5%* and operating profit was €29.4m* in accordance with IFRS.
- Net profit was €18.8m (€17.4m) and diluted EPS €0.33 (€0.30). Net profit was €17.5m* and diluted EPS €0.30* in accordance with IFRS.
- Cash flow from operating activities was €9.9m (€11.2m) and €9.9m* in accordance with IFRS.
- The year to date sales development is approximately 4% in local currency and the development in the fourth quarter to date is approximately 6% in local currency.

Nine months ended 30 September 2018

- Local currency sales increased by 3% and Euro sales decreased by 4% to €948.6m (€983.0m). Euro sales amounted to €919.4m* in accordance with IFRS.
- EBITDA amounted to €137.4m (€128.3m) and to €140.6m* in accordance with IFRS.
- Operating margin was 10.4% (10.5%), negatively impacted by 250 bps from currencies, and operating profit was €99.1m (€102.8m). Operating margin was 11.1%* and operating profit was €102.3m* in accordance with IFRS.
- Net profit was €63.1m (€56.8m) and diluted EPS €1.10 (€0.99). Net profit was €63.0m* and diluted EPS €1.10* in accordance with IFRS.
- Cash flow from operating activities was €63.3m (€43.7m) and €63.3m* in accordance with IFRS.

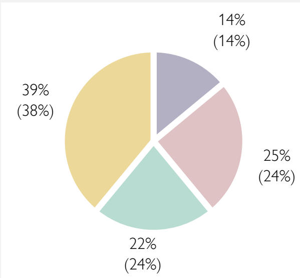
*Figures following the adoption of IFRS 15 and IFRS 16.

CEO Magnus Brännström comments

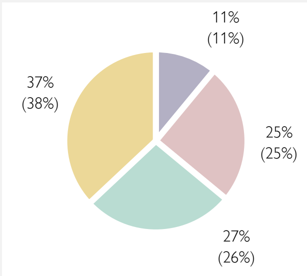
"We entered the third quarter facing continued challenging market conditions in some of our key markets as well as difficult comparables with the 50th Anniversary activities prior year. Measures focused on driving activity and recruitment to enhance sales growth in CIS and Latin America have proven successful, yet had a negative operating margin impact in the quarter. The performance in Asia & Turkey was slower during the second part of the quarter, partly as a result of the macroeconomic conditions in Turkey and lower activity in China. Sales development into the fourth quarter is slightly above the previous quarter and actions focused on driving activity and recruitment are ongoing. We remain committed to return to long-term profitable growth."

Key financial data

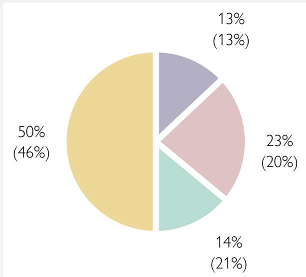
3 months ended 30 September



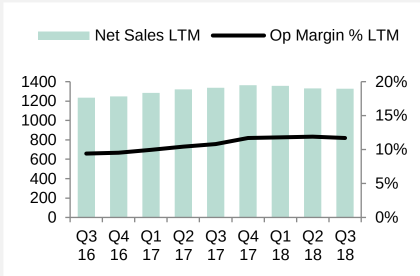
Sales**



Registered actives



Operating profit**

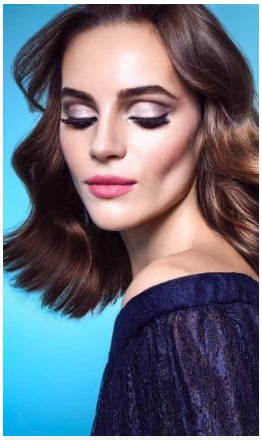


Net Sales LTM**
Operating margin % LTM**

Latin America | Europe & Africa | CIS | Asia & Turkey

Financial summary (€m)	3 months ended 30 September 2018*	2018**	2017	Change %**	9 months ended 30 September 2018*	2018**	2017	Change %**	LTM, Oct '17-Sep'18**	Year end 2017
Sales	279.4	292.5	295.3	(1%)	919.4	948.6	983.0	(4%)	1,328.7	1,363.1
Gross margin, %	70.9	73.9	73.8		70.2	73.3	72.7		73.4	73.0
EBITDA	42.8	43.4	40.0	8%	140.6	137.4	128.3	7%	200.9	191.8
Operating profit	29.4	30.0	32.5	(8%)	102.3	99.1	102.8	(4%)	155.4	159.0
Operating margin, %	10.5	10.3	11.0		11.1	10.4	10.5		11.7	11.7
Net profit before tax	24.1	25.9	24.8	4%	88.7	89.0	81.9	9%	140.3	133.2
Net profit	17.5	18.8	17.4	8%	63.0	63.1	56.8	11%	98.9	92.6
Diluted EPS, €	0.30	0.33	0.30	10%	1.10	1.10	0.99	11%	1.73	1.62
Cash flow from operating activities	9.9	9.9	11.2	(12%)	63.3	63.3	43.7	45%	142.3	122.7
Net interest-bearing debt	185.0	101.0	85.4	18%	185.0	101.0	85.4	18%	101.0	23.5
Net interest-bearing debt at hedged values	162.8	78.8	62.2	27%	162.8	78.8	62.2	27%	78.8	(4.3)
Registered actives, '000	2,659	2,659	2,646	0%	2,659	2,659	2,646	0%	2,659	3,067
Sales per registered active, €	104.0	108.9	110.6	(1%)	340.9	351.9	367.1	(4%)	494.1	439.9

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.



-160 bps

OPERATING MARGIN IMPACT FROM FX

Three months ended 30 September 2018

Sales in local currencies increased by 4%. Euro sales decreased by 1% to €292.5m compared to €295.3m in the same period prior year. Sales development in local currencies was impacted by a 4% increase in productivity and the number of registered actives in the quarter was stable and amounted to 2.7m (2.6m). Euro sales amounted to €279.4m* in accordance with IFRS.

Unit sales decreased by 3% and the price/mix effect was up by 7%, driven by mix. The positive mix effect is a combination of geographic and product mix, mainly driven by Skin Care and Wellness.

Local currency sales increased by 3% in Latin America, by 3% in Europe & Africa, by 8% in Asia & Turkey and decreased by 2% in the CIS.

The gross margin was 73.9% (73.8%) and 70.9%* in accordance with IFRS. The gross margin was positively impacted by price/mix effects, offset by negative currency movements. The operating margin amounted to 10.3% (11.0%), positively impacted by lower costs for the share incentive plan and bonuses, lower distribution and infrastructure expenses, offset by negative timing and extraordinary investments in selling and marketing expenses, higher share of administrative costs and currency movements (160 bps). The negative timing and extraordinary investments in selling and marketing expenses (~150 bps) was offset by favourable impacts from lower costs for the share incentive plan and bonuses (~100 bps) as well as other one-off effects (~100 bps).

Operating margin was 10.5%* in accordance with IFRS.

Net profit increased to €18.8m (€17.4m) and diluted earnings per share amounted to €0.33 (€0.30). Net profit was €17.5m* and diluted EPS €0.30* in accordance with IFRS.

Cash flow from operating activities amounted to €9.9m (€11.2m) and €9.9m* in accordance with IFRS.

The average number of full-time equivalent employees was 6,056 (6,183).

*Figures following the adoption of IFRS 15 and IFRS 16.

Nine months ended 30 September 2018

Sales in local currencies increased by 3%. Euro sales decreased by 4% to €948.6m compared to €983.0m in the same period prior year. Sales development in local currencies was impacted by a 3% increase in productivity and the number of registered actives was stable. Euro sales amounted to €919.4m* in accordance with IFRS.

The gross margin was 73.3% (72.7%) and 70.2%* in accordance with IFRS. The operating margin amounted to 10.4% (10.5%), positively impacted by price/mix effects, lower costs for the share incentive plan and bonuses, lower distribution and infrastructure expenses, partly offset by higher administrative costs and currency movements of 250 bps. Operating margin was 11.1%* in accordance with IFRS.

Net profit amounted to €63.1m (€56.8m) and diluted earnings per share amounted to €1.10 (€0.99). Net profit was €63.0m* and diluted EPS €1.10* in accordance with IFRS.

Cash flow from operating activities amounted to €63.3m (€43.7m) and €63.3m* in accordance with IFRS.

*Figures following the adoption of IFRS 15 and IFRS 16.

LAUNCH OF THE NOVAGE SUPREME CLEANSING GEL

Operational highlights

Sustainability

During the quarter, Oriflame submitted its annual disclosure to investors via the Carbon Disclosure Project (CDP), explaining the company's actions to address climate change and deforestation. Furthermore, the company committed to setting greenhouse gas (GHG) emission reduction targets in line with The Science Based Targets initiative, by the latest 2020. In order to be considered "science-based", the targets need to be in line with the level of decarbonization required to keep global temperature increase below two degrees Celsius compared to pre- industrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR5).

Brand and Innovation

Wellness was the strongest performing category during the quarter, delivering double digit sales growth. The main initiatives within Skin Care were the introduction of *Pure Skin Deep Cleansing Shower Mask* as well as the launch of the *NovAge Supreme Cleansing Gel*, clinically proven to be as effective as a cleanser and a toner combined.

CLOSE TO 1 MILLION MONTHLY USERS OF THE ORIFLAME APP

In Colour Cosmetics, *THE ONE Wonderlash Mascara XXL* was introduced and the best-selling lipstick *Colour Stylist Ultimate Lipstick* was re-launched. Under the Giordani Gold brand, the foundation *Mastercreation* was launched.

Key launches in the Fragrance category during the quarter included *Friends World for Her*, *Venture Power* and *Luminescence Eau de Parfum*.

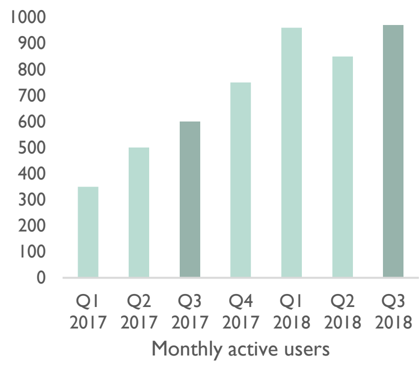
In Personal and Hair Care, an upgraded collection of *Swedish Spa* was introduced, consisting of seven products formulated with ingredients sourced directly from the Swedish waters.

Online

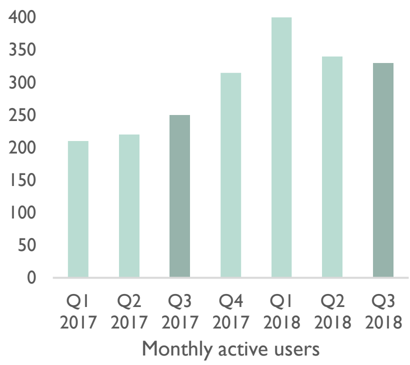
During the third quarter, the transition to mobile devices continued to increase. More than 95% of the company's orders were placed online, of which 40% were placed using mobile devices.

Key activities during the quarter included the continued rollout and development of the company's e-commerce engine. Further investments were made to the Oriflame App Suite, both to enhance the ordering experience and to further facilitate for Consultants to grow their business through monitoring sales and stimulate follow-up activities and training.

The Oriflame app*



The Oriflame Business app



*Figures also include the new app tailored for the Chinese infrastructure and market preferences

Service, Manufacturing and Other

Inventory days remained stable on historically low levels while service levels remained healthy.

The unit drop in the quarter had a negative impact on the capacity utilisation in manufacturing, but was offset by efficiency measures in the manufacturing and supply chain and higher sales to external parties. Cetes Cosmetics AG continues to explore further organic growth opportunities and collaborations to increase third-party sales.

13.5%

OPERATING MARGIN

Latin America

Key figures following the adoption of IFRS 15 and IFRS 16

	Q1'18*	Q2'18*	Q3'18*
Sales, €m	34.0	35.5	37.4
Sales growth in €	(4%)	(13%)	(7%)
Sales growth in lc	5%	(5%)	(5%)
Op profit, €m[1]	5.2	3.7	4.3
Op margin	15.2%	10.5%	11.4%
Registered actives, '000	264	274	304
Sales /registered actives, €	128.9	129.9	123.0

Key figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments

	Q3'17	Q4'17	Q1'18**	Q2'18**	Q3'18**
Sales, €m	40.4	41.0	32.5	36.8	40.5
Sales growth in €	(1%)	3%	(8%)	(10%)	0%
Sales growth in lc	1%	8%	0%	(1%)	3%
Op profit, €m[1]	5.9	5.5	4.0	4.0	5.5
Op margin	14.6%	13.5%	12.3%	10.8%	13.5%
Registered actives, '000	299	280	264	274	304
Sales /registered actives, €	135.1	146.3	123.2	134.6	133.2

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

[1]Excludes costs accounted for in the segments Manufacturing and Other such as financial expenses, gain/loss on exchange rates, market support and manufacturing overheads. This is in line with prior years.

Countries
Chile, Colombia, Ecuador, Mexico, Peru.

Development
Local currency sales in the third quarter increased by 3%, as a result of a 1% increase in productivity and a 2% increase in the number of registered actives. The sales development was impacted by positive timing of catalogues. Euro sales were stable at €40.5m (€40.4m) and amounted to €37.4m* in accordance with IFRS. The development remained weak in Mexico, while the performance in Colombia and Peru improved as a result of successful recruitment campaigns. The region was impacted by difficult comparables related to the 50th Anniversary activities prior year.

Operating profit amounted to €5.5m (€5.9m) and operating margin to 13.5% (14.6%). The operating margin was negatively impacted by exchange rates. Operating profit was €4.3m* and operating margin was 11.4%* in accordance with IFRS.

12.9%

OPERATING MARGIN

Europe & Africa

Key figures following the adoption of IFRS 15 and IFRS 16

	Q1'18*	Q2'18*	Q3'18*
Sales, €m	79.3	76.4	70.6
Sales growth in €	(2%)	(5%)	(0%)
Sales growth in lc	(1%)	(3%)	1%
Op profit, €m[1]	10.3	11.5	8.8
Op margin	12.9%	15.0%	12.5%
Registered actives, '000	750	690	652
Sales /registered actives, €	105.7	110.6	108.3

Key figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments

	Q3'17	Q4'17	Q1'18**	Q2'18**	Q3'18**
Sales, €m	70.7	92.4	78.5	78.1	73.2
Sales growth in €	0%	(3%)	(3%)	(3%)	4%
Sales growth in lc	6%	(0%)	(2%)	(2%)	3%
Op profit, €m[1]	9.2	15.2	8.5	11.4	9.4
Op margin	13.0%	16.5%	10.8%	14.6%	12.9%
Registered actives, '000	674	783	750	690	652
Sales /registered actives, €	104.8	118.0	104.6	113.2	112.3

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

[1]Excludes costs accounted for in the segments Manufacturing and Other such as financial expenses, gain/loss on exchange rates, market support and manufacturing overheads. This is in line with prior years.

Countries
Algeria, Bosnia, Bulgaria, Croatia, Czech Rep., Denmark, Egypt, Estonia, Finland, Greece, Holland, Hungary, Kenya, Kosovo, Latvia, Lithuania, Macedonia, Montenegro, Morocco, Nigeria, Norway, Poland, Portugal, Romania, Tanzania, Tunisia, Serbia, Slovakia, Slovenia, Spain, Sweden, Uganda, UK/Ireland.

Development
Local currency sales in the third quarter increased by 3%, as a result of a 6% increase in productivity and a 3% decrease in the number of registered actives. Euro sales increased by 4% to €73.2m (€70.7m) and amounted to €70.6m* in accordance with IFRS. Central Europe recorded modest growth during the quarter, with the performance being driven by the main markets Poland and Romania. The situation in Western Europe improved as a result of solid leadership development. The healthy underlying growth seen in Africa was led by strong productivity levels in Egypt and Nigeria, although several of the markets continued to be impacted by macroeconomic and exchange rates challenges.

Operating profit amounted to €9.4m (€9.2m) and operating margin was 12.9% (13.0%). Operating profit was €8.8m* and operating margin was 12.5%* in accordance with IFRS.

(2%)
LC SALES

CIS

Key figures following the adoption of IFRS 15 and IFRS 16

	Q1'18*	Q2'18*	Q3'18*
Sales, €m	82.2	71.0	62.2
Sales growth in €	(17%)	(24%)	(11%)
Sales growth in lc	(7%)	(12%)	(4%)
Op profit, €m[1]	10.1	8.1	6.6
Op margin	12.3%	11.5%	10.6%
Registered actives, '000	836	792	727
Sales /registered actives, €	98.3	89.6	85.5

Key figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments

	Q3'17	Q4'17	Q1'18**	Q2'18**	Q3'18**
Sales, €m	69.9	94.5	84.6	75.2	64.3
Sales growth in €	4%	1%	(15%)	(19%)	(8%)
Sales growth in lc	4%	5%	(5%)	(8%)	(2%)
Op profit, €m[1]	9.9	14.6	10.6	8.3	5.7
Op margin	14.2%	15.5%	12.5%	11.1%	8.8%
Registered actives, '000	698	859	836	792	727
Sales /registered actives, €	100.2	110.1	101.2	94.9	88.4

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

[1]Excludes costs accounted for in the segments Manufacturing and Other such as financial expenses, gain/loss on exchange rates, market support and manufacturing overheads. This is in line with prior years.

Countries
Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russia, Ukraine.

Development
Local currency sales in the third quarter decreased by 2%, as a result of a decrease in productivity of 6%, partly offset by a 4% increase in number of registered actives. Euro sales were down by 8% to €64.3m (€69.9m) and amounted to €62.2m* in accordance with IFRS. Local currency sales in Russia decreased by 5%, which is an improvement compared to the double digit decreases earlier this year, and indicate that the measures taken to drive sales and recruitment activities in the market started to gain traction. Continued positive development was seen in Ukraine, Kazakhstan and Belarus.

Operating profit amounted to €5.7m (€9.9m) and the operating margin decreased to 8.8% (14.2%). The margin was negatively impacted by exchange rates, negative timing and extraordinary investments in selling and marketing expenses and sales and recruitment driving initiatives impacting the pricing. Operating profit was €6.6m* and operating margin was 10.6%* in accordance with IFRS.

8%

LC SALES

Asia & Turkey

Key figures following the adoption of IFRS 15 and IFRS 16

	Q1'18*	Q2'18*	Q3'18*
Sales, €m	128.4	123.2	106.4
Sales growth in €	9%	(5%)	(5%)
Sales growth in lc	21%	3%	3%
Op profit, €m[1]	29.4	28.5	20.5
Op margin	22.9%	23.1%	19.3%
Registered actives, '000	1,184	1,012	976
Sales /registered actives, €	108.4	121.7	109.0

Key figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments

	Q3'17	Q4'17	Q1'18**	Q2'18**	Q3'18**
Sales, €m	111.7	150.0	131.6	128.7	111.7
Sales growth in €	15%	22%	11%	(1%)	0%
Sales growth in lc	23%	34%	25%	8%	8%
Op profit, €m[1]	22.1	39.1	27.7	28.5	20.4
Op margin	19.8%	26.0%	21.1%	22.2%	18.2%
Registered actives, '000	975	1,145	1,184	1,012	976
Sales /registered actives, €	114.6	131.0	111.1	127.1	114.5

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

[1]Excludes costs accounted for in the segments Manufacturing and Other such as financial expenses, gain/loss on exchange rates, market support and manufacturing overheads. This is in line with prior years.

Countries
China, India, Indonesia, Myanmar, Pakistan, Sri Lanka, Thailand, Turkey, Vietnam.

Development
Third quarter sales growth in local currencies was 8% as a result of an 8% increase in productivity while the number of registered actives was stable. Euro sales were in line with last year at €111.7m (€111.7m) and amounted to €106.4m* in accordance with IFRS. Sales growth in the region was slower during the second part of the quarter, as a result of difficult comparables and the macroeconomic conditions in Turkey. Although reporting continued healthy growth, China was impacted by lower activity partially from less successful product launches. Vietnam recorded solid growth and improvements were seen in Indonesia during the quarter.

Operating profit was €20.4m (€22.1m) and operating margin decreased to 18.2% (19.8%). The margin was negatively impacted by currency movements and higher selling and marketing expenses related to negative timing, partly offset by price increases and a favourable geographical mix. Operating profit was €20.5m* and operating margin was 19.3%* in accordance with IFRS.

Income statements

€'000	3 months ended 30 September 2018*	2018**	2017	9 months ended 30 September 2018*	2018**	2017	LTM, Oct'17-Sep'18**	Year End 2017
Sales	279,441	292,519	295,260	919,429	948,598	983,027	1,328,682	1,363,111
Cost of sales	(81,376)	(76,203)	(77,428)	(273,773)	(253,726)	(268,468)	(353,805)	(368,547)
Gross profit	**198,065**	**216,316**	**217,832**	**645,656**	**694,872**	**714,559**	**974,877**	**994,564**
Other income	-	9,821	10,036	-	30,615	33,720	42,206	45,311
Selling and marketing expenses	(96,208)	(109,058)	(105,283)	(315,178)	(351,926)	(363,560)	(488,943)	(500,577)
Distribution and infrastructure	(7,105)	(20,467)	(21,690)	(20,632)	(63,285)	(70,197)	(88,472)	(95,384)
Administrative expenses	(65,355)	(66,599)	(68,421)	(207,559)	(211,178)	(211,765)	(284,297)	(284,884)
Operating profit	**29,397**	**30,013**	**32,474**	**102,287**	**99,098**	**102,757**	**155,371**	**159,030**
Financial income	3,953	3,953	8,626	12,453	12,453	41,937	17,854	47,338
Financial expenses	(9,296)	(8,097)	(16,330)	(26,075)	(22,547)	(62,800)	(32,935)	(73,188)
Net financing costs	**(5,343)**	**(4,144)**	**(7,704)**	**(13,622)**	**(10,094)**	**(20,863)**	**(15,081)**	**(25,850)**
Net profit before income tax	**24,054**	**25,869**	**24,770**	**88,665**	**89,004**	**81,894**	**140,290**	**133,180**
Total income tax expense	(6,591)	(7,081)	(7,357)	(25,673)	(25,854)	(25,090)	(41,390)	(40,626)
Net profit	**17,463**	**18,788**	**17,413**	**62,992**	**63,150**	**56,804**	**98,900**	**92,554**

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

Sales, operating profit and registered actives by Global Business Area

Sales (€m)	3 months ended 30 September 2018*	2018**	2017	Change in Euro**	Change in Lc**
Latin America	37.4	40.5	40.4	0%	3%
Europe & Africa	70.6	73.2	70.7	4%	3%
CIS	62.2	64.3	69.9	(8%)	(2%)
Asia & Turkey	106.4	111.7	111.7	0%	8%
Manufacturing	0.9	0.9	0.8	18%	19%
Other	1.9	1.9	1.8	3%	3%
Total sales	**279.4**	**292.5**	**295.3**	**(1%)**	**4%**

Sales (€m)	9 months ended 30 September 2018*	2018**	2017	Change in Euro**	Change in Lc**	LTM, Oct'17-Sep'18**	Year end 2017
Latin America	106.9	109.8	116.5	(6%)	1%	150.8	157.5
Europe & Africa	226.3	229.9	232.3	(1%)	(1%)	322.3	324.7
CIS	215.3	224.1	262.3	(15%)	(6%)	318.6	356.8
Asia & Turkey	358.0	371.9	360.2	3%	13%	521.9	510.2
Manufacturing	7.6	7.6	6.6	15%	15%	7.9	6.9
Other	5.3	5.3	5.1	3%	3%	7.2	7.0
Total sales	**919.4**	**948.6**	**983.0**	**(4%)**	**3%**	**1,328.7**	**1,363.1**

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

Operating profit (€m)	3 months ended 30 September 2018*	2018**	2017	Change**	9 months ended 30 September 2018*	2018**	2017	LTM, Oct'17-Sep'18**	Year end 2017
Latin America	4.3	5.5	5.9	(7%)	13.2	13.5	15.3	19.0	20.8
Europe & Africa	8.8	9.4	9.2	2%	30.6	29.3	30.0	44.5	45.2
CIS	6.6	5.7	9.9	(43%)	24.9	24.6	30.7	39.3	45.4
Asia & Turkey	20.5	20.4	22.1	(8%)	78.3	76.6	71.2	115.7	110.3
Manufacturing	1.9	1.9	1.3	45%	7.2	7.2	10.6	5.8	9.2
Other	(12.7)	(12.9)	(15.9)	(20%)	(51.9)	(52.1)	(55.0)	(68.9)	(71.9)
Total operating profit	**29.4**	**30.0**	**32.5**	**(7%)**	**102.3**	**99.1**	**102.8**	**155.4**	**159.0**

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

Registered actives ('000)	30 September 2018	2017	Change	Year end 2017
Latin America	304	299	2%	280
Europe & Africa	652	674	(3%)	783
CIS	727	698	4%	859
Asia & Turkey	976	975	0%	1,145
Total	**2,659**	**2,646**	**0%**	**3,067**

0.4

NET DEBT AT HEDGED VALUES /EBITDA

Cash flow & investments

Cash flow from operating activities in the third quarter amounted to €9.9m (€11.2m), driven by lower EBITDA. Cash flow from operating activities amounted to €9.9m* in accordance with IFRS.

Cash flow used in investing activities amounted to €-3.5m (€-3.8m) and to €-3.5m* in accordance with IFRS.

*Figures following the adoption of IFRS 15 and IFRS 16.

Financial position

Net interest-bearing debt at hedged values amounted to €78.8m (€62.2m). The net debt at hedged values/EBITDA ratio was 0.4 (0.4). Net interest-bearing debt at hedged values amounted to €162.8m* and the net debt at hedged values/EBITDA ratio was 0.8* in accordance with IFRS.

Net interest-bearing debt amounted to €101.0m (€85.4m). The net debt/EBITDA ratio was 0.5 (0.5). Interest cover amounted to 7.4 (7.7) in the quarter and to 9.9 (8.4) during the last twelve months. The net interest-bearing debt amounted to €185.0m*, the net debt/EBITDA ratio was 0.9* and interest cover amounted to 7.3* in the quarter in accordance with IFRS.

*Figures following the adoption of IFRS 15 and IFRS 16.

Covenant disclosure

As per the end of the third quarter 2018, the financial measures as defined in the Agreements relating to the existing Private Placement Notes were as follows:

Consolidated Net Debt to Consolidated EBITDA: 0.6 (covenant at ≤ 3.0 times)
Consolidated EBITDA to Consolidated Finance costs: 20.3 (covenant at ≥ 5.0 times)
Consolidated Net Worth: €221.6m (covenant at ≥ €120m / not applicable for 2017 and 2018 Euro denominated private placement notes however covered by most favourable lender clause)

As per the end of the third quarter 2018, the financial measures as defined in the Agreements relating to the existing Revolving Credit Facility were as follows:

Consolidated Net Debt to Consolidated EBITDA: 0.6 (covenant at ≤ 3.0 times)
Consolidated EBITDA to Consolidated Finance costs: 20.3 (covenant at ≥ 4.0 times)

Note that the definition of these measures differs from the definitions of the Net Debt to EBITDA and Interest cover disclosed in the other sections of the report, primarily related to gains from sales of assets and cash in non-OECD markets.

Related parties

There have been no significant changes in the relationships or transactions with related parties compared with the information given in the Annual Report 2017.

Nomination Committee for the 2019 Annual General Meeting

In accordance with Swiss company law the tasks to nominate the chairman of the board, board members and the external auditor as well as appoint the chair of the general meeting are among the unalienable responsibilities of the Board of Directors. Hence, a nomination committee can only be constituted among the Company's board members. In advance of the 2019 Annual General Meeting the Company has formed a nomination and governance committee among its board members. The nomination and governance committee consists of Anders Dahlvig (Chairman) and Alexander af Jochnick. The nomination and governance committee will contact the Company's five largest shareholders, as known to the Company, to obtain input on the nominations. Anyone wishing to contact the nomination committee may do so via corporate.governance@oriflame.com.

6%

FOURTH QUARTER TO DATE LC SALES

4%

YEAR TO DATE LC SALES

Dividend

The AGM held on 4 May 2018 resolved that a dividend of €2.60 per share, of which €1.60 (€1.00) per share is to be considered as ordinary and €1.00 (€0.50) to be considered as extra dividend, be distributed out of the capital contribution reserve and paid in four instalments as follows: €1.40 to the shareholders of record on 9 May 2018, €0.40 to the shareholders of record on 15 August 2018, €0.40 to the shareholders of record on 15 November 2018 and €0.40 to the shareholders of record on 15 February 2019. The dividend instalments will be distributed out of the Company's Capital Contribution Reserve and are thereby not subject to any Swiss withholding tax.

The third instalment of €0.40 per share (record date 15 November 2018) will have expected payment date 22 November 2018.

2019 Annual General Meeting

Oriflame Holding AG will hold its 2019 Annual General Meeting in Schaffhausen, Switzerland, on 9 May 2019.

Significant events during the quarter

During the quarter, the final maturity of the company's Revolving Credit Facility was extended by one year to 2023. In addition, the €41m private placement loan that was successfully re-financed during the second quarter was repaid.

Personnel

The average number of full-time equivalent employees was 6,056 (6,183).

Fourth quarter update

The year to date sales development is approximately 4% in local currency and the development in the fourth quarter to date is approximately 6% in local currency.

Long term targets

Oriflame aims to achieve local currency sales growth of approximately 10 percent per annum and an operating margin of 15 percent.

The business of the Group presents cyclical evolutions and is driven by a number of factors:

- Effectiveness of individual catalogues and product introductions
- Effectiveness and timing of recruitment programmes
- Timing of sales and marketing activities
- The number of effective sales days per quarter
- Currency effect on sales and results

Financial Calendar for 2018/2019

The fourth quarter 2018 report will be published on 14 February 2019
The 2019 Annual General Meeting will be held on 9 May 2019
The first quarter 2019 report will be published on 9 May 2019
The second quarter 2019 report will be published on 8 August 2019
The third quarter 2019 report will be published on 7 November 2019

Other

A Swedish translation is available on www.oriflame.com.

Conference call for the financial community
The Company will host a conference call on Wednesday, 7 November 2018 at 9.30 CET.

Participant access numbers:
DK: +4535445575
FI: +358981710491
UK: +442030089809
NO: +4723500265
SE: +46856642664
US: +18558315945

The conference call will also be audioeb cast in "listen-only" mode through Oriflame's website**:** **www.oriflame.com** or through **http://oriflame-ir.creo.se/181107/**

This report has not been audited by the Company's auditors.

November 7, 2018

Magnus Brännström
Chief Executive Officer

For further information, please contact:

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This information is information that Oriflame Holding AG is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:15 CET on November 7, 2018.

Oriflame Holding AG
Bleicheplatz 3, CH-8200 Schaffhausen, Switzerland
www.oriflame.com
Company registration no CHE-134.446.883

Consolidated key figures

	3 months ended 30 September			9 months ended 30 September				
	2018*	2018**	2017	2018*	2018**	2017	LTM, Oct'17-Sep'18**	Year end 2017
Gross margin, %	70.9	73.9	73.8	70.2	73.3	72.7	73.4	73.0
EBITDA margin, %	15.3	14.8	13.6	15.3	14.5	13.1	15.1	14.1
Operating margin, %	10.5	10.3	11.0	11.1	10.4	10.5	11.7	11.7
Return on:								
- operating capital, %	-	-	-	55.2	61.5	51.1	61.5	57.7
- capital employed, %	-	-	-	37.2	39.6	35.6	39.6	34.7
Net debt at hedged values / EBITDA (LTM)	0.8	0.4	0.4	0.8	0.4	0.4	0.4	(0.02)
Net debt / EBITDA (LTM)	0.9	0.5	0.5	0.9	0.5	0.5	0.5	0.1
Interest cover	7.3	7.4	7.7	8.0	7.8	9.4	9.9	11.5
Average no. of full-time equivalent employees	6,056	6,056	6,183	6,119	6,119	6,244	6,135	6,230

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

Definitions

Operating capital

Total assets less cash and cash equivalents and non interest-bearing liabilities, including deferred tax liabilities.

Return on operating capital

Operating profit divided by average operating capital.

Capital employed

Total assets less non interest-bearing liabilities, including deferred tax liabilities.

Return on capital employed

Operating profit plus interest income divided by average capital employed.

Net interest-bearing debt

Interest-bearing debt excluding front fees less cash and cash equivalents.

Interest cover

Operating profit plus interest income divided by interest expenses and charges.

Net interest-bearing debt to EBITDA

Net interest-bearing debt divided by EBITDA.

EBITDA

Operating profit before financial items, taxes, depreciation, amortisation and share incentive plan.

Condensed consolidated interim financial statements 30 September 2018 Important clarifying information IFRS

Please note that due to accounting principles and the chosen implementation options of the new IFRS standards, the condensed consolidated financial statements in the interim report is calculated in accordance with IFRS (following the adoption of IFRS 15 and IFRS 16). For adjusted 2018 figures that are comparable with the 2017 figures, (excluding the impact of IFRS 15, IFRS 16 and related accounting alignments) please see pages 1-14 in the interim report.

Quarterly Figures following the adoption of IFRS 15 and IFRS 16

Financial summary	Q1'18	Q2'18	Q3'18
Sales, €m	330.8	309.2	279.4
Gross margin, %	69.7	70.2	70.9
EBITDA, €m	46.3	51.5	42.8
Operating profit, €m	34.8	38.1	29.4
Operating margin, %	10.5	12.3	10.5
Net profit before income tax, €m	30.3	34.3	24.1
Net profit, €m	21.0	24.5	17.5
EPS, diluted €	0.36	0.42	0.30
Cash flow from op. activities, €m	24.9	28.5	9.9
Net interest-bearing debt, €m	103.3	170.2	185.0
Registered actives, '000	3,034	2,768	2,659

Sales, €m	Q1'18	Q2'18	Q3'18
Latin America	34.0	35.5	37.4
Europe & Africa	79.3	76.4	70.6
CIS	82.2	71.0	62.2
Asia & Turkey	128.4	123.2	106.4
Manufacturing	5.3	1.4	0.9
Other	1.6	1.7	1.9
Oriflame	**330.8**	**309.2**	**279.4**

Operating Profit, €m	Q1'18	Q2'18	Q3'18
Latin America	5.2	3.7	4.3
Europe & Africa	10.3	11.5	8.8
CIS	10.1	8.1	6.6
Asia & Turkey	29.4	28.5	20.5
Manufacturing	3.2	2.2	1.9
Other	(23.4)	(15.9)	(12.7)
Oriflame	**34.8**	**38.1**	**29.4**

Registered actives, '000	Q1'18	Q2'18	Q3'18
Latin America	264	274	304
Europe & Africa	750	690	652
CIS	836	792	727
Asia & Turkey	1,184	1,012	976
Oriflame	**3,034**	**2,768**	**2,659**

Operating Margin, %	Q1'18	Q2'18	Q3'18
Latin America	15.2	10.5	11.4
Europe & Africa	12.9	15.0	12.5
CIS	12.3	11.5	10.6
Asia & Turkey	22.9	23.1	19.3
Oriflame	**10.5**	**12.3**	**10.5**

€ Sales Growth in %	Q1'18	Q2'18	Q3'18
Latin America	(4)	(13)	(7)
Europa & Africa	(2)	(5)	(0)
CIS	(17)	(24)	(11)
Asia & Turkey	9	(5)	(5)
Oriflame	**(3)**	**(11)**	**(5)**

Cash Flow, €m	Q1'18	Q2'18	Q3'18
Operating cash flow	24.9	28.5	9.9
Cash flow used in investing activities	(3.1)	(1.9)	(3.5)

Quarterly Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments

Financial summary	Q2'17	Q3'17	Q4'17	Q1'18*	Q2'18*	Q3'18*
Sales, €m	347.6	295.3	380.1	334.1	321.9	292.5
Gross margin, %	72.9	73.8	73.7	72.5	73.4	73.9
EBITDA, €m	47.9	40.0	63.5	42.1	51.9	43.4
Operating profit, €m	40.5	32.5	56.3	30.6	38.5	30.0
Operating margin, %	11.7	11.0	14.8	9.2	12.0	10.3
Net profit before income tax, €m	29.7	24.8	51.3	27.3	35.9	25.9
Net profit, €m	19.9	17.4	35.8	18.7	25.7	18.8
EPS, diluted €	0.35	0.30	0.62	0.32	0.44	0.33
Cash flow from op. activities, €m	33.9	11.2	79.0	24.9	28.5	9.9
Net interest-bearing debt, €m	82.4	85.4	23.5	16.3	84.2	101.0
Registered actives, '000	2,806	2,646	3,067	3,034	2,768	2,659

Sales, €m	Q2'17	Q3'17	Q4'17	Q1'18*	Q2'18*	Q3'18*
Latin America	40.9	40.4	41.0	32.5	36.8	40.5
Europe & Africa	80.3	70.7	92.4	78.5	78.1	73.2
CIS	92.9	69.9	94.5	84.6	75.2	64.3
Asia & Turkey	130.3	111.7	150.0	131.6	128.7	111.7
Manufacturing	1.4	0.8	0.3	5.3	1.4	0.9
Other	1.8	1.8	1.9	1.6	1.7	1.9
Oriflame	**347.6**	**295.3**	**380.1**	**334.1**	**321.9**	**292.5**

Operating Profit, €m	Q2'17	Q3'17	Q4'17	Q1'18*	Q2'18*	Q3'18*
Latin America	6.0	5.9	5.5	4.0	4.0	5.5
Europe & Africa	10.4	9.2	15.2	8.5	11.4	9.4
CIS	9.7	9.9	14.6	10.6	8.3	5.7
Asia & Turkey	28.0	22.1	39.1	27.7	28.5	20.4
Manufacturing	4.4	1.3	(1.5)	3.2	2.2	1.9
Other	(18.0)	(15.9)	(16.6)	(23.4)	(15.9)	(12.9)
Oriflame	**40.5**	**32.5**	**56.3**	**30.6**	**38.5**	**30.0**

Registered actives, '000	Q2'17	Q3'17	Q4'17	Q1'18*	Q2'18*	Q3'18*
Latin America	284	299	280	264	274	304
Europe & Africa	734	674	783	750	690	652
CIS	794	698	859	836	792	727
Asia & Turkey	994	975	1,145	1,184	1,012	976
Oriflame	**2,806**	**2,646**	**3,067**	**3,034**	**2,768**	**2,659**

Operating Margin, %	Q2'17	Q3'17	Q4'17	Q1'18*	Q2'18*	Q3'18*
Latin America	14.8	14.6	13.5	12.3	10.8	13.5
Europe & Africa	12.9	13.0	16.5	10.8	14.6	12.9
CIS	10.5	14.2	15.5	12.5	11.1	8.8
Asia & Turkey	21.5	19.8	26.0	21.1	22.2	18.2
Oriflame	**11.7**	**11.0**	**14.8**	**9.2**	**12.0**	**10.3**

€ Sales Growth in %	Q2'17	Q3'17	Q4'17	Q1'18*	Q2'18*	Q3'18*
Latin America	6	(1)	3	(8)	(10)	0
Europa & Africa	(1)	0	(3)	(3)	(3)	4
CIS	19	4	1	(15)	(19)	(8)
Asia & Turkey	19	15	22	11	(1)	0
Oriflame	**12**	**6**	**7**	**(2)**	**(7)**	**(1)**

Cash Flow, €m	Q2'17	Q3'17	Q4'17	Q1'18*	Q2'18*	Q3'18*
Operating cash flow	33.9	11.2	79.0	24.9	28.5	9.9
Cash flow used in investing activities	(3.0)	(3.8)	(6.1)	(3.1)	(1.9)	(3.5)

*Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

Condensed consolidated income statements

€'000	3 months ended 30 September 2018*	2017	9 months ended 30 September 2018*	2017	LTM, Oct' 17-Sep' 18*	Year End 2017
Sales	279,441	295,260	919,429	983,027	1,299,513	1,363,111
Cost of sales	(81,376)	(77,428)	(273,773)	(268,468)	(373,852)	(368,547)
Gross profit	**198,065**	**217,832**	**645,656**	**714,559**	**925,661**	**994,564**
Other income	-	10,036	-	33,720	11,591	45,311
Selling and marketing expenses	(96,208)	(105,283)	(315,178)	(363,560)	(452,195)	(500,577)
Distribution and infrastructure	(7,105)	(21,690)	(20,632)	(70,197)	(45,819)	(95,384)
Administrative expenses	(65,355)	(68,421)	(207,559)	(211,765)	(280,678)	(284,884)
Operating profit	**29,397**	**32,474**	**102,287**	**102,757**	**158,560**	**159,030**
Financial income	3,953	8,626	12,453	41,937	17,854	47,338
Financial expenses	(9,296)	(16,330)	(26,075)	(62,800)	(36,463)	(73,188)
Net financing costs	**(5,343)**	**(7,704)**	**(13,622)**	**(20,863)**	**(18,609)**	**(25,850)**
Net profit before income tax	**24,054**	**24,770**	**88,665**	**81,894**	**139,951**	**133,180**
Total income tax expense	(6,591)	(7,357)	(25,673)	(25,090)	(41,209)	(40,626)
Net profit	**17,463**	**17,413**	**62,992**	**56,804**	**98,742**	**92,554**

*Figures following the adoption of IFRS 15 and IFRS 16.

Earnings per share

€	3 months ended 30 September 2018*	2017	9 months ended 30 September 2018*	2017	LTM, Oct' 17-Sep' 18*	Year end 2017
EPS:						
- basic	0.31	0.31	1.12	1.02	1.76	1.66
- diluted	0.30	0.30	1.10	0.99	1.73	1.62
Weighted avg. number of shares outstanding:						
- basic	56,430,726	55,740,805	56,303,423	55,740,805	56,161,223	55,740,805
- diluted	57,298,376	57,190,439	57,171,073	57,190,439	57,028,873	57,217,925
Total number of shares outstanding (excluding treasury shares)	56,430,726	55,740,805	56,430,726	55,740,805	56,430,726	55,740,805

*Figures following the adoption of IFRS 15 and IFRS 16.

Condensed consolidated statements of comprehensive income

€'000	3 months ended 30 September 2018*	3 months ended 30 September 2017	9 months ended 30 September 2018*	9 months ended 30 September 2017	LTM, Oct' 17-Sep' 18*	Year end 2017
Profit attributable to owners of the Company	**17,463**	**17,413**	**62,992**	**56,804**	**98,742**	**92,554**
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of net defined liability, net of tax	-	-	778	110	(688)	(1,356)
Total items that will not be reclassified subsequently to profit or loss	**-**	**-**	***778***	***110***	***(688)***	***(1,356)***
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences for foreign operations	(6,308)	(5,662)	(13,373)	(12,579)	(14,758)	(13,964)
Effective portion of changes in fair value of cash flow hedges, net of tax	(13)	2	(807)	2,776	(438)	3,145
Total items that are or may be reclassified subsequently to profit or loss	***(6,321)***	***(5,660)***	***(14,180)***	***(9,803)***	***(15,196)***	***(10,819)***
Other comprehensive income for the period, net of tax	**(6,321)**	**(5,660)**	**(13,402)**	**(9,693)**	**(15,884)**	**(12,175)**
Total comprehensive income for the period attributable to owners of the Company	**11,142**	**11,753**	**49,590**	**47,111**	**82,858**	**80,379**

*Figures following the adoption of IFRS 15 and IFRS 16.

Condensed consolidated statements of financial position

€'000	30 September, 2018*	31 December, 2017	30 September, 2017
Assets			
Property, plant and equipment	139,665	152,919	151,888
Right of use Assets	79,994	-	-
Intangible assets	12,937	14,595	14,360
Investment property	542	542	542
Deferred tax assets	35,247	31,136	34,356
Other long-term receivables	133	105	158
Total non-current assets	**268,518**	**199,297**	**201,304**
Inventories	165,065	165,509	173,389
Trade and other receivables	69,533	79,812	72,557
Tax receivables	14,537	8,810	11,396
Prepaid expenses	22,872	27,954	41,352
Derivative financial assets	24,587	29,682	34,100
Cash and cash equivalents	147,615	221,399	163,451
Total current assets	**444,209**	**533,166**	**496,245**
Total assets	**712,727**	**732,463**	**697,549**
Equity			
Share capital	80,745	79,850	79,850
Treasury shares	(474)	(90)	(90)
Share premium	424,870	548,474	548,474
Reserves	(178,854)	(164,732)	(166,233)
Retained earnings	(219,581)	(241,906)	(276,190)
Total equity attributable to the owners of the company	**106,706**	**221,596**	**185,811**
Liabilities			
Interest-bearing loans	247,441	195,113	198,284
Lease Obligations	64,786	-	-
Other long-term liabilities	4,387	3,983	3,973
Net defined benefit liability	4,161	4,938	3,701
Deferred income	6,004	309	294
Deferred tax liabilities	2,436	2,502	3,287
Total non-current liabilities	**329,215**	**206,845**	**209,539**
Current portion of interest-bearing loans	8	48,477	49,192
Lease Obligations	19,187	-	-
Trade and other payables	80,617	91,746	81,339
Dividend payables	45,288	14,049	27,982
Deferred Income	7,790	311	342
Tax payables	9,179	15,669	14,266
Accrued expenses	109,601	127,811	123,303
Derivative financial liabilities	4,258	2,392	3,143
Provisions	878	3,567	2,632
Total current liabilities	**276,806**	**304,022**	**302,199**
Total liabilities	**606,021**	**510,867**	**511,738**
Total equity and liabilities	**712,727**	**732,463**	**697,549**

*Figures following the adoption of IFRS 15 and IFRS 16.

Condensed consolidated statements of changes in equity

€'000	Share capital	Treasury shares	Share Premium	Reserves	Retained earnings	Total Equity
At 1 January 2017	**79,850**	**(90)**	**632,085**	**(167,017)**	**(333,104)**	**211,724**
Net profit	-	-	-	-	56,804	56,804
Other comprehensive income, net of tax	-	-	-	(9,803)	110	(9,693)
Total comprehensive income for the period	**-**	**-**	**-**	**(9,803)**	**56,914**	**47,111**
Share incentive plan	-	-	-	10,587	-	10,587
Dividends	-	-	(83,611)	-	-	(83,611)
Total contributions and distributions	**-**	**-**	**(83,611)**	**10,587**	**-**	**(73,024)**
At 30 September 2017	**79,850**	**(90)**	**548,474**	**(166,233)**	**(276,190)**	**185,811**
At 1 January 2018 as previously reported	**79,850**	**(90)**	**548,474**	**(164,732)**	**(241,906)**	**221,596**
Adjustment from adoption of IFRS 15, IFRS 16 (net of tax) and accounting alignments	-	-	-	-	(25,996)	(25,996)
Restated balance at 1 January 2018	**79,850**	**(90)**	**548,474**	**(164,732)**	**(267,902)**	**195,600**
Net profit	-	-	-	-	62,992	62,992
Other comprehensive income, net of tax	-	-	-	(14,180)	778	(13,402)
Total comprehensive income for the period	**-**	**-**	**-**	**(14,180)**	**63,770**	**49,590**
Issue of ordinary shares in relation to share incentive plan	895	-	23,116	(8,860)	(15,449)	(298)
Purchase of treasury shares	-	(1,584)	-	-	-	(1,584)
Usage of treasury shares	-	1,200	-	-	-	1,200
Share incentive plan	-	-	-	8,918	-	8,918
Dividends	-	-	(146,720)	-	-	(146,720)
Total contributions and distributions	**895**	**(384)**	**(123,604)**	**58**	**(15,449)**	**(138,484)**
At 30 September 2018	**80,745**	**(474)**	**424,870**	**(178,854)**	**(219,581)**	**106,706**

Condensed consolidated statements of cash flows

	3 months ended 30 September		9 months ended 30 September	
€'000	**2018***	**2017**	**2018***	**2017**
Operating activities				
Net profit before income tax	**24,054**	**24,770**	**88,665**	**81,894**
Adjustments for:				
Depreciation of property, plant and equipment	9,311	4,234	27,559	13,399
Amortisation of intangible assets	668	391	1,793	1,224
Change in fair value of borrowings and derivatives financial instruments	(130)	932	(91)	(106)
Deferred income	(837)	(7)	(4,706)	(75)
Impairment	-	-	-	347
Share incentive plan	3,401	2,934	8,918	10,587
Settlement of share incentive plan	-	-	902	-
Unrealised exchange rate differences	(1,834)	1,514	(2,453)	6,128
Profit on disposal of property, plant and equipment, intangible assets	62	96	(1,067)	(900)
Financial income	(2,580)	(2,790)	(8,492)	(10,176)
Financial expenses	5,279	5,856	17,401	16,149
Operating profit before changes in working capital and provisions	**37,394**	**37,930**	**128,429**	**118,471**
Increase/(decrease) in trade and other receivables, prepaid expenses and derivative financial assets	(8,177)	(6,303)	754	(5,884)
(Increase)/decrease in inventories	(10,309)	(11,790)	2,693	(14,395)
(Increase)/decrease in trade and other payables, accrued expenses and derivatives financial liabilities	2,718	3,574	(22,087)	(7,504)
Decrease in provisions	(98)	(150)	(1,314)	(2,606)
Cash generated from operations	**21,528**	**23,261**	**108,475**	**88,082**
Interest received	3,574	3,410	9,386	11,877
Interest and bank charges paid	(5,561)	(5,751)	(17,111)	(17,099)
Income taxes paid	(9,665)	(9,712)	(37,437)	(39,197)
Cash flow from operating activities	**9,876**	**11,208**	**63,313**	**43,663**
Investing activities				
Proceeds on sale of property, plant and equipment, intangible assets	175	90	2,459	1,993
Purchases of property, plant, equipment	(3,656)	(3,266)	(10,681)	(10,021)
Purchases of intangible assets	(11)	(579)	(222)	(1,683)
Cash flow used in investing activities	**(3,492)**	**(3,755)**	**(8,444)**	**(9,711)**
Financing activities				
Proceeds from borrowings	-	-	50,742	105,000
Repayments of borrowings	(41,161)	-	(41,397)	(86,471)
Acquisition of own shares	-	-	(1,584)	-
Decrease of lease liabilities	(5,857)	-	(17,232)	-
Dividends paid	(22,547)	(13,974)	(115,416)	(66,838)
Cash flow used in financing activities	**(69,565)**	**(13,974)**	**(124,887)**	**(48,309)**
Change in cash and cash equivalents	**(63,181)**	**(6,521)**	**(70,018)**	**(14,357)**
Cash and cash equivalents at the beginning of the period net of bank overdrafts	214,260	173,146	221,345	185,365
Effect of exchange rate fluctuations on cash held	(3,472)	(3,176)	(3,720)	(7,559)
Cash and cash equivalents at the end of the period net of bank overdrafts	**147,607**	**163,449**	**147,607**	**163,449**

*Figures following the adoption of IFRS 15 and IFRS 16.

Notes to the condensed consolidated interim financial statements of Oriflame Holding AG

Note 1 • Status and principal activity

Oriflame Holding AG ("OHAG" or the "Company") is a holding company incorporated in Switzerland and registered at Bleicheplatz 3, CH-8200 Schaffhausen. The principal activity of the Company's subsidiaries is the direct sale of cosmetics. The condensed consolidated interim financial statements of the Company as at and for the nine months ended 30 September 2018 comprise the Company and its subsidiaries (together referred to as the "Group").

Note 2 • Basis of preparation and summary of significant accounting policies

Statement of compliance

The condensed consolidated interim financial statements for the nine months period ended 30 September 2018 have been prepared by management in accordance with the measurement and recognition principles of IFRS and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2017. They do not include all of the information required for a complete set of IFRS financial statements.
This is the first set of the Group's financial statements where IFRS 15, IFRS 16 and IFRS 9 have been applied. Changes to significant accounting policies are described below.
The interim financial statements were authorised for issue by the Directors on 6 November 2018.

Change in significant accounting policies, use of judgements and estimates

Except as described below, the accounting policies, significant judgements and key sources of estimation uncertainty applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2017.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at end for the year ending 31 December 2018.

From 1st January 2018, IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with customers have become effective. In addition, the Group has decided to early adopt IFRS 16 Leases at the same time as IFRS 15. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on the Group's financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Group has adopted IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

The following table summarises the impact, net of tax, of transition to IFRS 15 on retained earnings at 1 January 2018.

€'000	Impact of adoption IFRS 15 at 1 January 2018
Retained earnings	
Revenue recognition based on the transfer of control	(9,024)
Performance obligations	(12,060)
Related tax	4'916
Impact at 1 January 2018	(16'168)

The following tables summarise the impacts of adopting IFRS 15 on the Group's interim statement for profit or loss and OCI for the nine months then ended 30 September 2018 for each of the line items affected. There was no material impact on the Group's interim statement of cash flows for the nine month period ended 30 September 2018.

Impact on the condensed interim statement of profit or loss and OCI

	At 30 September 2018		
€'000	**As reported**	**Adjustments**	**Amounts without adoption of IFRS 15**
Sales	919,429	29,169	948,598
Cost of sales	(273,773)	20,047	(253,726)
Gross profit	**645,656**	**49,216**	**694,872**
Other income	-	30,615	30,615
Selling and marketing expenses	(315,178)	(41,547)	(356,725)
Distribution and infrastructure	(20,632)	(42,653)	(63,285)
Administrative expenses	(207,559)	(92)	(207,651)
Operating profit	**102,287**	**(4,461)**	**97,826**
Net profit before income tax	**88,665**	**(4,461)**	**84,204**
Total income tax expense	(25,673)	916	(24,757)
Net profit	**62,992**	**(3,545)**	**59,447**
Total comprehensive income for the period	**49,590**	**(3,545)**	**46,045**

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's revenue are set out below.

Sales revenue under IFRS 15

i. Sale of goods

Revenue, which excludes value added tax and other applicable turnover taxes, represent sales to individual sales consultants and licensed distributors or, in the case of mail order and retail sales, to individual customers or, in case of third party suppliers, royalties income. Sales are recognised in the consolidated income statements when the control of the goods have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

ii. Sales programmes

Revenue is allocated between the sales programmes and the other components of sale. The amount allocated to loyalty programmes is deferred, and is recognised as revenue when the Group has fulfilled its obligation to supply the free or discounted products under the terms of the programmes or when it is no longer probable that the points under the programmes will be redeemed.

Nature of change in accounting policy

i. Sale of goods

Under IAS 18 Revenue sales were recognised in the consolidated income statements when the significant risks and rewards of ownership have been transferred to the buyer. No revenue were recognised if there are significant uncertainties regarding recovery of the consideration due. The impact of these changes on items other than revenue is mainly an increase in deferred revenue and an increase in inventories.

ii. Other income

Under IAS 18 Other income comprised catalogues sales, freight income and rental income. Under IFRS 15 these amounts are booked as cost reduction to the underlying cost stream as this is not representing a revenue stream for the group.

IFRS 16 Leases

IFRS 16 replaces existing leases guidance, including IAS 17 leases and related interpretations. IFRS 16 introduces a single on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group has adopted IFRS 16 based on the modified retrospective option including the practical expedience (grandfathering, <12 months, low values), with the effect of initially applying this standard recognised at the date of intial application (i.e. 1 January 2018). Accordingly, the information presented 2017 has not been restated – i.e. it is presented, as previously reported under IAS 17 and related interpretations.

The following table summarises the impact net of tax of transition to IFRS 16 on retained earnings at 1 January 2018.

€'000	Impact of adopting IFRS 16 at 1 January 2018
Right of used asset	87,709
Lease liability	(93,865)
Related tax effect	1,117
Impact at 1 January 2018 at Retained earnings	(5,039)

IFRS 9 Financial Instruments

The following table below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as at 1 January 2018.

€'000	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets				
Interest rate caps used for trading	Held-for-trading	Mandatorily at FVTPL	8	8
Forward exchange contracts used for hedging	Fair value – hedging instrument	Fair value – hedging instrument	1,585	1,585
Other forward exchange contracts	Held-for-trading	Mandatorily at FVTPL	171	171
Cross currency interest rate swap contracts used for hedging	Fair value – hedging instrument	Fair value – hedging instrument	10,043	10,043
Other cross currency interest rate swap contracts	Held-for-trading	Mandatorily at FVTPL	17,875	17,875
Trade and other receivables	Loans and receivables	Amortised cost	64,822	64,822
Cash and cash equivalents	Loans and receivables	Amortised cost	221,399	221,399
Total financial assets			**315,903**	**315,903**