



Interim report 1 January – 31 March 2015

3 months ended 31 March 2015

- Local currency sales increased by 1% and Euro sales decreased by 6% to €307.8m (€327.2m).
- Number of active consultants decreased by 1% to 3.4m.
- EBITDA amounted to €23.0m (€29.4m).
- Adjusted* operating margin was 5.6% (7.0%) resulting in an adjusted* operating profit of €17.2m (€23.1m), impacted by approximately -250 bps from currencies. Operating margin was 5.6% (6.9%) and operating profit €17.2m (€22.7).
- Adjusted* net profit amounted to €11.2m (€12.0m) and adjusted* EPS amounted to €0.20 (€0.22). Net profit was €11.2m (€11.6m) and EPS €0.20 (€0.21).
- Cash flow from operating activities amounted to €24.1m (€16.9m).
- Second quarter update: The underlying sales development in the second quarter to date is around -1% in local currency.

* Adjusted for restructuring costs €0.4m in the first quarter 2014.

Significant events after the end of the quarter

- In April, Oriflame signed a new Revolving Credit Facility amounting to €110m in total with its existing core relationship banks which replaces the existing €330m facility (signed in May 2011 and with maturity in 2016). As part of the refinancing process, the covenants for the company's existing Private Placement Notes and the new Revolving Credit Facility were aligned.
- On 8 May, a share-for-share exchange transaction, for the purpose of changing the domicile of the Group from Luxembourg to Switzerland, was announced.

CEO Magnus Brännström comments

"The overall market conditions remain very volatile in the CIS region, despite the recent strengthening of the Rouble, and we have seen a slow-down in Russia. In the quarter, we have implemented significant price increases, which have had short-term adverse effect on the volume. We will continue to sequentially implement the price increases and other measures we consider appropriate in order to secure both our margins and the income opportunity for our Consultants.

The difficulties in some of our core markets are however balanced by the strong performance of our key growth regions Latin America, Turkey, Africa and Asia representing close to 45 percent of group sales in the quarter. While the strong growth in these regions is encouraging, we focus our strengths on getting back to sustainable growth in CIS and Europe."

Sales and earnings

FINANCIAL SUMMARY (€ Million)	3 months ended 31 March			LTM ² , April '14- March '15	Year end 2014 ³
	2015	2014 ¹	Change		
Sales	307.8	327.2	(6%)	1,246.4	1,265.8
Gross margin, %	67.8	68.5		68.3	68.4
EBITDA	23.0	29.4	(22%)	116.5	122.9
Operating profit	17.2	22.7	(24%)	89.2	94.7
Operating margin, %	5.6	6.9		7.2	7.5
Adj. operating profit	17.2	23.1	(26%)	91.9	97.8
Adj. operating margin, %	5.6	7.0		7.4	7.7
Net profit before tax	17.0	18.2	(7%)	73.0	74.2
Adj. net profit before tax	17.0	18.6	(8%)	75.7	77.3
Net profit	11.2	11.6	(3%)	37.1	37.5
Adj. net profit	11.2	12.0	(7%)	46.2 ⁴	47.0 ⁴
EPS, €	0.20	0.21	(3%)	0.67	0.67
Adj. EPS, €	0.20	0.22	(6%)	0.74 ⁴	0.84 ⁴
Cash flow from operating activities	24.1	16.9	43%	97.2	90.0
Net interest-bearing debt	264.7	270.4	(2%)	264.7	245.4
Net interest-bearing debt at hedged values	175.3	257.3	(32%)	175.3	196.8
Active consultants, '000	3,429	3,481	(1%)	3,429	3,473
Sales per active consultant, €	88.9	93.3	(5%)	358.0	362.4

¹Adjusted for restructuring costs of €0.4m

²Adjusted for restructuring costs of €2.7m

³Adjusted for restructuring costs of €3.1m

⁴Adjusted for additional non-recurring tax items of €6.4m

Three months ended 31 March 2015

+1 %

Local currency sales

Sales in local currencies increased by 1% and Euro sales declined by 6% to €307.8m compared to €327.2m in the same period prior year. Sales development in local currencies was impacted by a 2% increase in productivity while the number of active consultants in the quarter decreased by 1% to 3.4m (3.5m). Unit sales were down by 8%, while the price/mix effect was positive at 9%.

Local currency sales increased by 7% in Latin America and by 23% in Turkey, Africa & Asia, while CIS decreased by 5% and Europe by 11%.

The gross margin was 67.8% (68.5%) and the adjusted operating margin amounted to 5.6% (7.0%). Operating margin was 5.6% (6.9%). The adjusted operating margin was negatively impacted by currency movements of approximately 250 bps, start-up cost in the Noginsk factory, underutilisation of assets and higher selling and marketing expenses. These factors were partly offset primarily by positive price/mix effects and gain from hedges.

Adjusted net profit amounted to €11.2m (€12.0m) and adjusted earnings per share amounted to €0.20 (€0.22). Net profit was €11.2m (€11.6m) and EPS €0.20 (€0.21).

Cash flow from operating activities was €24.1m (€16.9m).

The average number of full-time equivalent employees was 6,763 (7,375).

-250 bps

Operating margin impact from FX

Operational highlights

Brand and Innovation

The strategic categories Skin Care and Wellness continued to show good progress during the quarter together with successful product launches within the other categories.

The Skin Care growth was largely driven by the successful selling of the *Skin Care Routine* sets. Oriflame's largest Skin Care brand, *Optimals*, delivered encouraging results in the quarter mainly due to notable increases in China. The *Time Reversing* brand also grew with the help from the launch of the new *Night Recovery Serum*.

The positive development of the Wellness category was strongly supported by the Wellness launch in India with only two products so far - the *Natural Balance Shake* in three flavours and the *Omega 3 Tablets*.

In the Color Cosmetics category, two new products were launched under the brand *The ONE*; the *Eyes Wide Open Mascara* and the *Color Unlimited Matte Lipstick*.

The Fragrance category introduced two strong new concepts: *So Fever Him* and *Her* fragrances, inspired by the Fifty Shades of Grey movie, and *My Naked Truth*.

The Hair Care category showed growth driven by the full *HairX* offer. In the Personal Care category, the introduction of the *Optifresh System 8* toothpaste range was the main event during the quarter.

Online

During the first quarter, the rollout of the new digital platform was finalised in Latin America, and implementation activities continued in CIS and Europe. The platform was operational in 20 markets by April and is planned to reach full coverage during 2015. Further development and stabilisation activities continue in parallel to the rollout.

Intense focus continued on supporting the sales force, primarily through launching several new applications for mobile devices, including responsive functionality of the website.

The total share of online orders is now constantly above 90% worldwide, with an increasing number of markets operating at full coverage.

Service

The manufacturing equipment was successfully relocated from the former facility in Krasnogorsk, Russia, to the new factory in Noginsk, Russia. The production facility was officially inaugurated on 18 February 2015.

Within the sustainability area, the collaboration with Rainforest Alliance of moving towards a more sustainable timber supply chain for the wood based products, such as catalogues and product packaging, is progressing. Within the paper area overall, the results from 2014 paper footprint show clear progress towards the defined targets.

The company is progressing with its customer experience initiatives, and the Net Promoter Score is being further implemented as a key measurement of customer satisfaction.

CIS

Key figures

	Q1'14	Q2'14	Q3'14	Q4'14 ²	Q1'15
Sales, €m	154.9	132.7	112.7	149.1	108.4
Sales growth in €	(24%)	(23%)	(16%)	(18%)	(30%)
Sales growth in lc	(11%)	(7%)	(3%)	5%	(5%)
Adj. op profit, €m ¹	22.2	12.6	13.9	18.3	12.6
Adj. op margin	14.3%	9.5%	12.3%	12.3%	11.6%
Active consultants, '000	1,637	1,477	1,315	1,626	1,531
Sales /active consultant, €	94.6	89.8	85.7	91.7	70.8

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.

² Adjusted for non-recurring items of €8.1m

Countries

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

Development

Local currency sales in the first quarter decreased by 5%, as a result of a 6% decrease in the number of active consultants and an increase in productivity of 1%. Euro sales were down by 30% to €108.4m (€154.9m). The sales development was driven by a slow-down in Russia where local currency sales were down by 4%. Despite the recent strengthening of the Rouble, the situation remains challenging in the region with very volatile market conditions.

Substantial, sequential price increases and other efficiency measures are taken in order to improve the margins, the former with negative impact on volumes.

In March 2015 there was a second level of tax court decision in the pending tax case, which did not change the decision of the first. Oriflame remains confident in its tax practice in Russia as confirmed and supported by local and international experts, and plans to continue the litigation process up to the Supreme Court.

Adjusted operating profit amounted to €12.6m (€22.2m) resulting in an adjusted operating margin of 11.6% (14.3%). Margins were negatively affected by exchange rate movements and negative leverage on overhead costs, partly offset by positive price/mix effects.

Market conditions remain volatile

Europe

Key figures

	Q1'14	Q2'14 ²	Q3'14	Q4'14 ³	Q1'15
Sales, €m	68.3	65.1	57.4	76.7	61.0
Sales growth in €	(7%)	(9%)	(12%)	(11%)	(11%)
Sales growth in lc	(6%)	(8%)	(12%)	(10%)	(11%)
Adj. op profit, €m ¹	6.8	7.9	6.1	12.2	7.5
Adj. op margin	10.0%	12.1%	10.7%	15.8%	12.3%
Active consultants, '000	580	547	501	589	542
Sales /active consultant, €	117.8	119.0	114.6	130.2	112.6

¹Excludes 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.

²Adjusted for non-recurring items of €0.4m

³Adjusted for non-recurring items of €1.7m

Countries

Bosnia, Bulgaria, Croatia, Czech Rep., Denmark, Estonia, Finland, Greece, Holland, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Montenegro, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, UK/Ireland.

Development

-11%
Lc sales

Local currency sales in the first quarter decreased by 11%, a result of a 7% decrease in active consultants and 4% in productivity. Euro sales were down by 11% to €61.0m (€68.3m). Initiatives are ongoing within several areas such as roll-out of Success Plan changes, leadership development, catalogue enhancements and online offerings and tools in order to address the development.

Adjusted operating margin increased to 12.3% (10.0%) and the adjusted operating profit was €7.5m (€6.8m), driven by administrative efficiencies.

Latin America

Key figures

	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
Sales, €m	26.5	31.1	32.6	32.5	30.4
Sales growth in €	7%	4%	5%	8%	15%
Sales growth in lc	19%	15%	7%	7%	7%
Op profit, €m ¹	2.6	4.2	4.6	3.4	1.8
Op margin	9.8%	13.4%	14.0%	10.3%	6.0%
Active consultants, '000	213	233	237	231	227
Sales /active consultant, €	124.3	133.4	137.6	140.5	133.6

¹Excludes 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.

+7%
Active
consultants

Development

Local currency sales in the first quarter increased by 7% as a result of a 7% increase in the number of active consultants and an unchanged productivity compared to prior year. Euro sales were up by 15% to €30.4 (€26.5m). Local currency sales were strong in Mexico and Peru while Ecuador continued to impact the region negatively. There is a temporary solution in place in Ecuador for import of products from the EU, and negotiations are ongoing for a more permanent solution.

Operating profit amounted to €1.8m (€2.6m) and operating margin decreased to 6.0% (9.8%), negatively impacted by internal USD product purchases and increased bad debt provisions.

Turkey, Africa & Asia

Key figures

	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
Sales, €m	75.2	79.8	70.1	93.9	104.9
Sales growth in €	(1%)	(3%)	15%	30%	40%
Sales growth in lc	16%	12%	20%	25%	23%
Op profit, €m ¹	9.2	11.2	7.4	14.9	12.7
Op margin	12.2%	14.0%	10.6%	15.8%	12.1%
Active consultants, '000	1,051	967	895	1,027	1,129
Sales /active consultant, €	71.5	82.6	78.4	91.5	92.9

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, China, Egypt, India, Indonesia, Kenya, Morocco, Myanmar, Nigeria, Pakistan, Sri Lanka, Tanzania, Thailand, Tunisia, Turkey, Uganda, Vietnam.

Development

+16%
Lc productivity

First quarter sales growth in local currencies was 23% as a result of a 7% increase in the number of active consultants and 16% increase in productivity. Euro sales were up by 40% to €104.9m (€75.2m). Many markets performed well, particularly China and Indonesia. In China, the focus on Skin Care routines and product sets continues to deliver very good results, contributing to the overall productivity development of the region.

Operating margin was stable at 12.1% (12.2%) and operating profit was €12.7m (€9.2m).

An insurance claim of €7.8m relating to Indian warehouse fire in 2013 was received, impacting the cash flow positively in the quarter.

Sales, operating profit and consultants by region

Sales (€ Million)	3 months ended 31 March			LTM, April'14- March '15	Year end 2014
	2015	2014	Change in Euro		
CIS	108.4	154.9	(30%)	(5%)	502.9
Europe	61.0	68.3	(11%)	(11%)	260.1
Latin America	30.4	26.5	15%	7%	126.6
Turkey, Africa & Asia	104.9	75.2	40%	22%	348.7
Manufacturing	1.5	0.8	80%	84%	2.0
Other	1.6	1.5	9%	1%	6.1
Total sales	307.8	327.2	(6%)	1%	1,246.4
					1,265.8

Adj. operating profit (€ Million)	3 months ended 31 March			LTM, April'14- March '15	Year end 2014
	2015	2014	Change		
CIS	12.6	22.2	(43%)	57.5	67.1
Europe	7.5	6.8	10%	33.7	33.0
Latin America	1.8	2.6	(30%)	13.9	14.7
Turkey, Africa & Asia	12.7	9.2	38%	46.1	42.6
Manufacturing	0.7	1.5	(52%)	(2.0)	(1.2)
Other	(18.1)	(19.2)	6%	(57.1)	(58.2)
Total adj. operating profit	17.2	23.1¹	(25%)	91.9²	97.8³

Active consultants ('000)	31 March			Year End 2014
	2015	2014	Change	
CIS	1,531	1,637	(6%)	1,626
Europe	542	580	(7%)	589
Latin America	227	213	7%	231
Turkey, Africa & Asia	1,129	1,051	7%	1,027
Total	3,429	3,481	(1%)	3,473

¹Adjusted for non-recurring items of €0.4m

²Adjusted for non-recurring items of €2.7m

³Adjusted for non-recurring items of €3.1m

€24.1m in
operating cash
flow

Cash flow & investments

Cash flow from operating activities in the first quarter amounted to €24.1m (€16.9m) helped by positive development of working capital components and realised profit on exchange rates. An insurance claim of €7.8m relating to Indian warehouse fire in 2013 was received impacting the cash flow positively in the quarter. Cash flow used in investing activities amounted to €-3.9m (€-8.6m).

Financial position

Net interest-bearing debt amounted to €264.7m compared to €270.4m at the end of the first quarter 2014. The net debt/EBITDA ratio was 2.3 (1.8) and interest cover amounted to 3.4 (5.6) in the first quarter 2015 and to 4.8 (6.8) during the last twelve months.

Net interest-bearing debt at hedged values amounted to €175.3 (€257.3m). The net debt at hedged values/EBITDA ratio was 1.5 (1.7).

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 2014.

Dividend

As indicated in the year-end 2014 report, the Board of Directors will continue to prioritise reducing the debt during the forthcoming quarters. As a consequence, the Board of Directors will not seek a mandate for distribution of dividend during the forthcoming four quarters (quarter 2 2015 up until quarter 1 2016).

Annual Report

The annual report was published on the company's website on 15 April 2015.

Annual General Meeting

Oriflame Cosmetics S.A. will hold its 2015 Annual General Meeting in Luxembourg on 19 May 2015.

Personnel

The average number of full-time equivalent employees amounted to 6,763 (7,375).

Alignment of legal structure

As previously announced, Oriflame is reviewing its legal structure and the process is well underway. During the second quarter 2014, a successful spin-off of assets from Oriflame Cosmetics S.A. to a newly established Luxembourg financing and holding company directly held by Oriflame Cosmetics S.A. was completed. During the fourth quarter 2014, a Swiss holding company, Oriflame Holding AG was established. As a third step, a share-for-share exchange transaction, for the purpose of changing the domicile of the Group from Luxembourg to Switzerland, was announced on 8 May 2015. Additional information is and will be made available on Oriflame's website under the share-for-share exchange offer section.

Significant event after the end of the quarter

In April, Oriflame signed a new Revolving Credit Facility amounting to €110m in total with its existing core relationship banks HSBC Bank plc, ING Bank, Nordea, Raiffeisen Bank International AG and SEB. The new five-year facility replaces the existing €330m facility (signed in May 2011 and with maturity in 2016).

As part of the refinancing process, the covenants for the company's existing Private Placement Notes and the new Revolving Credit Facility were aligned. The following financial measures constitute the aligned set of covenants:

- Consolidated net debt to consolidated EBITDA less than or equal to 3.0 times
- Consolidated EBITDA to consolidated finance costs greater than or equal to 5.0 times
- Consolidated net worth greater than or equal to €120m

The financial measures as defined in the Revolving Credit Facility Agreement and the Private Placement Notes Amendment document will be disclosed in the company's financial reports on a quarterly basis, starting from the report for the second quarter 2015.

Second quarter update

The underlying sales development in the second quarter 2015 to date is approximately -1% in local currency.

Long term targets

Oriflame Cosmetics 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 2015

- The 2015 Annual General Meeting will be held on 19 May.
- Share-for-share offer – for further information and important dates see Oriflame's website.
- Second quarter 2015 report will be published on 13 August.
- Third quarter 2015 report will be published on 12 November.

Other

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

Conference call for the financial community

The company will host a conference call on Friday, 8 May at 9:30 CET.

Participant access numbers:

Luxemburg: +352 2 730 0158

Sweden: +46 8 505 564 53

Switzerland: +41 22 580 29 94

UK: +44 20 3009 2455

US: +1 855 228 3719

Confirmation code: 267700#

The conference call will also be audio web cast in “listen-only” mode through Oriflame’s website: www.oriflame.com or through

<http://edge.media-server.com/m/p/csgr7bgq>

8 May 2015

Magnus Brännström
Chief Executive Officer

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Oriflame Cosmetics S.A.

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Company registration no B.8835

Consolidated key figures

	3 months ended 31 March		LTM, Apr'14- Mar'15	Year end 2014
	2015	2014		
Gross margin, %	67.8	68.5	68.3	68.4
EBITDA margin, %	7.5	9.0	9.3	9.7
Adj. operating margin, %	5.6	7.0	7.4	7.7
Return on:				
- operating capital, %	-	-	19.6	21.8
- capital employed, %	-	-	17.7	19.9
Net debt at hedged values / EBITDA (LTM)	1.5	1.7	1.5	1.6
Net debt / EBITDA (LTM)	2.3	1.8	2.3	2.0
Interest cover	3.4	5.6	4.8	5.4
Average no. of full-time equivalent employees	6,763	7,375	6,983	7,039

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.

Quarterly Figures

Financial summary	Q4'13 ¹	Q1'14 ²	Q2'14 ³	Q3'14	Q4'14 ⁴	Q1'15
Sales, €m	371.2	327.2	310.4	274.5	353.7	307.8
Gross margin, %	70.5	68.5	70.9	69.0	65.9	67.8
EBITDA, €m	52.0	29.4	32.8	26.3	34.4	23.0
Adj. operating profit, €m	46.8	23.1	25.3	19.7	29.8	17.2
Adj. operating margin, %	12.6	7.0	8.1	7.2	8.4	5.6
Adj. net profit before income tax, €m	38.0	18.6	19.5	16.8	22.3	17.0
Adj. net profit, €m	27.2	12.0	12.1	11.8	11.1	11.2
Adj. EPS, diluted €	0.49	0.22	0.22	0.21	0.20	0.20
Cash flow from op. activities, €m	63.7	16.9	12.0	(4.9)	66.0	24.1
Net interest-bearing debt, €m	275.9	270.4	284.2	317.5	245.4	264.7
Active consultants, '000	3,460	3,481	3,224	2,948	3,473	3,429
Sales, €m	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
CIS	181.1	154.9	132.7	112.7	149.1	108.4
Europe	85.9	68.3	65.1	57.4	76.7	61.0
Latin America	30.2	26.5	31.1	32.6	32.5	30.4
Turkey, Africa & Asia	72.1	75.2	79.8	70.1	93.9	104.9
Manufacturing	0.1	0.8	0.2	0.3	0.1	1.5
Other	1.8	1.5	1.5	1.4	1.4	1.6
Oriflame	371.2	327.2	310.4	274.5	353.7	307.8
Adj. operating Profit, €m	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
CIS	27.1	22.2	12.6	13.9	18.3	12.6
Europe	14.0	6.8	7.9	6.1	12.2	7.5
Latin America	4.1	2.6	4.2	4.6	3.4	1.8
Turkey, Africa & Asia	13.3	9.2	11.2	7.4	14.9	12.7
Manufacturing	1.7	1.5	(0.6)	(0.0)	(2.1)	0.7
Other	(13.4)	(19.2)	(10.0)	(12.3)	(16.9)	(18.1)
Oriflame	46.8¹	23.1²	25.3³	19.7	29.8⁴	17.2
Active consultants, '000	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
CIS	1,648	1,637	1,477	1,315	1,626	1,531
Europe	630	580	547	501	589	542
Latin America	223	213	233	237	231	227
Turkey, Africa & Asia	959	1,051	967	895	1,027	1,129
Oriflame	3,460	3,481	3,224	2,948	3,473	3,429
Adj. operating Margin, %	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
CIS	14.9	14.3	9.5	12.3	12.3	11.6
Europe	16.2	10.0	12.1	10.7	15.8	12.3
Latin America	13.5	9.8	13.4	14.0	10.3	6.0
Turkey, Africa & Asia	18.5	12.2	14.0	10.6	15.8	12.1
Oriflame	12.6¹	7.0²	8.1³	7.2	8.4⁴	5.6

¹ Adjusted for non-recurring items of €2.2m

² Adjusted for non-recurring items of €0.4m

³ Adjusted for non-recurring items of €1.3m

⁴ Adjusted for non-recurring items of €1.3m

€ Sales Growth in %	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
CIS	(16)	(24)	(23)	(16)	(18)	(30)
Europe	(10)	(7)	(9)	(12)	(11)	(11)
Latin America	17	7	4	5	8	15
Turkey, Africa & Asia	0	(1)	(3)	15	30	40
Oriflame	(10)	(14)	(14)	(7)	(5)	(6)
Cash Flow, €m	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
Operating cash flow	63.7	16.9	12.0	(4.9)	66.0	24.1
Cash flow used in investing activities	(15.7)	(8.6)	(8.4)	(10.0)	21.1	(3.9)

Condensed consolidated interim income statements

€'000	3 months ended 31 March		LTM, Apr'14- Mar'15	Year End 2014
	2015	2014		
Sales	307,820	327,232	1,246,437	1,265,849
Cost of sales	(99,102)	(103,213)	(395,357)	(399,468)
Gross profit	208,718	224,019	851,080	866,381
Other income	10,968	11,430	44,536	44,998
Selling and marketing expenses	(118,139)	(125,908)	(466,727)	(474,496)
Distribution and Infrastructure	(23,974)	(27,059)	(100,475)	(103,560)
Administrative expenses	(60,347)	(59,850)	(239,094)	(238,597)
Operating profit	17,225	22,633	89,318	94,726
Analysis of operating profit:				
Adjusted operating profit	17,225	23,058	91,962	97,795
Non-recurring items	-	(425)	(2,644)	(3,069)
Operating profit	17,225	22,633	89,318	94,726
Financial income	59,760	13,102	124,352	77,694
Financial expenses	(59,978)	(17,579)	(140,619)	(98,220)
Net financing costs	(218)	(4,477)	(16,266)	(20,526)
Net profit before income tax	17,008	18,156	73,052	74,200
Total income tax expense	(5,776)	(6,622)	(35,901)	(36,748)
Net profit	11,232	11,534	37,150	37,452
Analysis of net profit:				
Adjusted net profit	11,232	11,959	46,218	46,945
Non-recurring items	-	(425)	(2,644)	(3,069)
Non-recurring tax items	-	-	(6,424)	(6,424)
Net profit	11,232	11,534	37,150	37,452

	3 months ended 31 March			
	2015	2014	LTM, Apr'14- Mar'15	Year end 2014
€				
Adj*. EPS:				
- basic	0.20	0.22	0.83	0.84
- diluted	0.20	0.22	0.83	0.84
EPS:				
- basic	0.20	0.21	0.67	0.67
- diluted	0.20	0.21	0.67	0.67
Weighted avg. number of shares outstanding:				
- basic	55,608,563	55,600,653	55,605,312	55,603,362
- diluted	55,608,563	55,600,653	55,605,312	55,603,362
Total number of shares outstanding:				
- basic	55,608,563	55,600,653	55,608,563	55,608,563
- diluted	55,608,563	55,600,653	55,608,563	55,608,563

*Adj EPS calculation based on adjusted net profit.

Condensed consolidated interim statements of other comprehensive income

€'000	3 months ended 31 March			
	2015	2014	LTM Apr'14- Mar'15	Year end 2014
Net profit	11,232	11,534	37,150	37,452
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Revaluation reserve	227	(26)	(193)	(446)
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	11,432	(16,913)	(23,932)	(52,276)
Effective portion of changes in fair value of cash flow hedges, net of tax	(4,697)	1,318	(3,635)	2,379
Total items that are or may be reclassified subsequently to profit or loss	6,736	(15,595)	(27,566)	(49,897)
Other comprehensive income for the period, net of tax	6,962	(15,621)	(27,759)	(50,343)
Total other comprehensive income for the period	18,195	(4,086)	9,391	(12,891)

Condensed consolidated interim statements of financial position

€'000	31 March, 2015	31 December, 2014	31 March, 2014
Assets			
Property, plant and equipment	182,798	172,904	241,253
Intangible assets	18,858	19,532	19,842
Investment property	541	542	814
Deferred tax assets	22,167	19,201	26,327
Other long-term receivables	898	1,008	855
Total non-current assets	225,262	213,187	289,091
Inventories	180,854	169,478	193,797
Trade and other receivables	79,377	81,410	87,516
Tax receivables	8,042	5,865	4,122
Prepaid expenses	43,656	43,563	42,904
Derivative financial assets	111,801	90,067	28,115
Cash and cash equivalents	117,538	95,569	93,375
Total current assets	541,268	485,952	449,829
Total assets	766,530	699,139	738,920
Equity			
Share capital	71,527	71,527	71,517
Treasury shares	(41,235)	(41,235)	(41,235)
Reserves	(128,344)	(135,306)	(100,055)
Retained earnings	257,163	245,931	233,914
Total equity	159,111	140,917	164,141
Liabilities			
Interest-bearing loans	348,601	310,329	360,213
Other long-term non interest-bearing liabilities	1,498	1,433	2,175
Deferred income	325	279	409
Deferred tax liabilities	2,612	3,232	4,894
Total non-current liabilities	353,036	315,273	367,691
Current portion of interest-bearing loans	33,199	30,163	2,835
Trade and other payables	92,696	86,915	88,926
Deferred Income	2,680	2,948	2,868
Tax payables	13,256	12,492	8,482
Accrued expenses	94,875	88,769	89,734
Derivative financial liabilities	12,013	14,652	7,683
Provisions	5,664	7,010	6,560
Total current liabilities	254,383	242,949	207,088
Total liabilities	607,419	558,222	574,779
Total equity and liabilities	766,530	699,139	738,920

Condensed consolidated interim statements of changes in equity

€'000 (Attributable to equity holders of the Company)	Share capital	Total reserves	Retained earnings	Total equity
At 1 January 2014	71,517	(125,694)	222,380	168,203
Net profit	-	-	11,534	11,534
Other comprehensive income				
Revaluation reserve	-	(26)	-	(26)
Foreign currency translation differences for foreign operations	-	(16,913)	-	(16,913)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	1,318	-	1,318
Total other comprehensive income for the period, net of income tax	-	(15,621)	-	(15,621)
Total comprehensive income for the period	-	(15,621)	11,534	(4,087)
Share incentive plan	-	25	-	25
At 31 March 2014	71,517	(141,290)	233,914	164,141
At 1 January 2015	71,527	(176,541)	245,931	140,917
Net profit	-	-	11,232	11,232
Other comprehensive income				
Revaluation reserve	-	227	-	227
Foreign currency translation differences for foreign operations	-	11,432	-	11,432
Effective portion of changes in fair value of cash flow hedges, net of tax	-	(4,697)	-	(4,697)
Total other comprehensive income for the period, net of income tax	-	6,962	-	6,962
Total comprehensive income for the period	-	6,692	11,232	18,194
At 31 March 2015	71,527	(169,579)	257,163	159,111

Condensed consolidated interim statements of cash flows

	3 months ended 31 March	
€'000	2015	2014
Operating activities		
Net profit before income tax	17,008	18,156
Adjustments for:		
Depreciation and impairment of property, plant and equipment	4,681	5,555
Amortisation of intangible assets	1,095	1,207
Change in fair value of borrowings and derivatives financial instruments	13,729	(6,103)
Deferred income	(325)	111
Share incentive plan	-	25
Unrealised exchange rate differences	(10,486)	4,534
Profit on disposal of property, plant and equipment, intangible assets and investment property	(71)	(19)
Financial income	(5,625)	(4,206)
Financial expenses	8,424	6,763
Operating profit before changes in working capital and provisions	28,430	26,023
Decrease/(increase) in trade and other receivables, prepaid expenses and derivative financial assets	27,426	3,309
(Increase)/decrease in inventories	2,046	(355)
Increase/(decrease) in trade and other payables, accrued expenses and derivatives financial liabilities	(21,037)	2,266
Decrease in provisions	(1,602)	(1,309)
Cash generated from operations	35,263	29,934
Interest received	4,962	4,325
Interest and bank charges paid	(6,628)	(6,419)
Income taxes paid	(9,495)	(10,933)
Cash flow from operating activities	24,102	16,907
Investing activities		
Proceeds on sale of property, plant and equipment, intangible assets and investment property	85	1,169
Purchases of property, plant and equipment, and investment property	(3,699)	(9,488)
Purchases of intangible assets	(323)	(280)
Cash flow used in investing activities	(3,937)	(8,599)
Financing activities		
Proceeds from borrowings	(286)	1,094
Repayments of borrowings	(172)	(20,617)
Decrease of finance lease liabilities	(21)	(13)
Cash flow used in financing activities	(479)	(19,536)
Change in cash and cash equivalents	19,686	(11,228)
Cash and cash equivalents at the beginning of the period	95,515	106,788
Effect of exchange rate fluctuations on cash held	2,342	(2,276)
Cash and cash equivalents at the end of the period net of bank overdrafts	117,543	93,284

Notes to the condensed consolidated interim financial information of Oriflame Cosmetics S.A.

Note 1 • Status and principal activity

Oriflame Cosmetics S.A. (“OCSA” or the “Company”) is a holding company incorporated in Luxembourg and registered at 24 Avenue Emile Reuter, L-2420 Luxembourg. The principal activity of the Company’s subsidiaries is the direct sale of cosmetics. The condensed consolidated interim financial information of the Company as at and for the three months ended 31 March 2015 comprises 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 information has been prepared by management in accordance with the measurement and recognition principles of International Financial Reporting Standard (IFRS) as adopted by the European Union (“EU”) and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2014. The condensed consolidated interim financial information was authorised for issue by the Directors on 7 May 2015.

Changes in accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2014 with the exception of new or revised standards endorsed by the EU, as explained below.

Other new or amended IFRS standards

The other new or amended IFRS standards, which became effective January 1, 2015, have had no material effect on the condensed consolidated interim financial information.

Note 3 • Significant event after the end of the quarter

In April, Oriflame signed a new Revolving Credit Facility amounting to €110m in total with its existing core relationship banks HSBC Bank plc, ING Bank, Nordea, Raiffeisen Bank International AG and SEB. The new five-year facility replaces the existing €330m facility (signed in May 2011 and with maturity in 2016).

As part of the refinancing process, the covenants for the company’s existing Private Placement Notes and the new Revolving Credit Facility were aligned. The following financial measures constitute the aligned set of covenants:

- Consolidated Net Debt to Consolidated EBITDA less than or equal to 3.0 times
- Consolidated EBITDA to Consolidated Finance costs greater than or equal to 5.0 times
- Consolidated Net Worth greater than or equal to €120m

The financial measures as defined in the Revolving Credit Facility Agreement and the Private Placement Notes Amendment document will be disclosed in the company’s financial reports on a quarterly basis, starting from the report for the second quarter 2015.