

## Interim Report I January – 31 March 2016

+10%

LC SALES

-1%

EURO SALES

6.9%

OPERATING MARGIN

### 3 months ended 31 March 2016

- Local currency sales increased by 10% and Euro sales decreased by 1% to €305.8m (€307.8m).
- Number of active consultants decreased by 9% to 3.1m.
- EBITDA amounted to €27.7m (€23.0m).
- Operating margin was 6.9% (5.6%), impacted by -370 bps from currencies, and operating profit €21.1m (€17.2m).
- Net profit was €10.7m (€11.2m) and EPS €0.19 (€0.20).
- Cash flow from operating activities was €21.5m (€24.1m).
- During the quarter \$80.0m of the long-term debt was prepaid, corresponding to a cash outflow of €56.0m.
- The year to date sales development is approximately 13% in local currency and the development in the second quarter to date is approximately 17% in local currency. The quarterly number is positively impacted by timing.

### Significant events after the end of the quarter

- The AGM held on 17 May 2016 resolved that a dividend of €0.40 per share be distributed and paid in two installments: €0.20 to the shareholders of record on 15 November 2016 and €0.20 to the shareholders of record on 15 February 2017.
- In April Oriflame's premises in Moscow and Moscow oblast had an unannounced visit by local authorities. Oriflame is still seeking the reason behind these visits and remains fully transparent to the authorities.

*"We are pleased with the overall local sales development during the first quarter, where sequential improvements are seen in most geographies. The underlying business and financial improvements are encouraging, although we continue to be heavily impacted by persistent currency headwinds and deteriorating macro across many of our regions".*

CEO Magnus Brännström



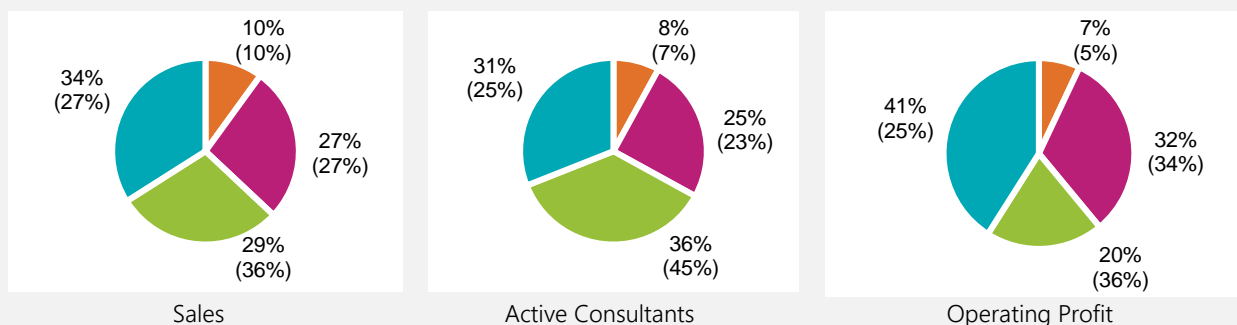
## CEO Magnus Brännström comments

"We are pleased with the overall local sales development during the first quarter, where sequential improvements are seen in most geographies. Asia & Turkey and Latin America continued to record double digit growth and increased profitability. While the reversal of the previous negative sales trend in the CIS is promising, the situation remains uncertain with sustained external and margin improvement challenges. The positive sales momentum for the group has continued into the second quarter, further enhanced by some strong catalogues in April. The underlying business and financial performance is encouraging, although we continue to be heavily impacted by persistent currency headwinds and deteriorating macro across many of our regions. Efficiency initiatives are ongoing and are delivering desired results."

## Key financial data

3 months ended 31 March

Oriflame Holding AG is as of the first quarter 2016 reporting in line with the new Global Business Area structure, as reflected below.



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

Financial summary (€ Million)	3 months ended 31 March			LTM April '15- March '16 <sup>1</sup>	Year end 2015 <sup>1</sup>
	2016	2015	Change, %		
Sales	305.8	307.8	(1)	1,209.6	1,211.6
Gross margin, %	69.5	67.8	-	69.6	69.2
EBITDA	27.7	23.0	20	122.1	117.4
Operating profit	21.1	17.2	23	94.6	90.6
Operating margin, %	6.9	5.6	-	7.8	7.5
Adj. operating profit	21.1	17.2	23	104.1	100.2
Adj. operating margin, %	6.9	5.6	-	8.6	8.3
Net profit before tax	15.7	17.0	(8)	66.0	67.3
Adj. net profit before tax	15.7	17.0	(8)	75.6	76.9
Net profit	10.7	11.2	(5)	33.6	34.2
Adj. net profit	10.7	11.2	(5)	42.7 <sup>2</sup>	43.2 <sup>2</sup>
Diluted EPS, €	0.19	0.20	(5)	0.61	0.62
Adj. Diluted EPS, €	0.19	0.20	(5)	0.77 <sup>2</sup>	0.79 <sup>2</sup>
Cash flow from operating activities	21.5	24.1	(11)	119.6	122.2
Net interest-bearing debt	133.8	264.7	(49)	133.8	171.6
Net interest-bearing debt at hedged values	78.7	175.3	(55)	78.7	94.0
Active consultants, '000	3,105	3,429	(9)	3,105	3,246
Sales per active consultant, €	97.4	88.9	10	386.3	370.3

<sup>1</sup>Adjusted for non-recurring items of €9.6m <sup>2</sup>Adjusted for additional non-recurring tax items of (€0.5m)



-370 bps

OPERATING  
MARGIN IMPACT  
FROM FX



SUCCESSFUL  
LAUNCHES OF APPS

## Three months ended 31 March 2016

Sales in local currencies increased by 10% and Euro sales decreased by 1% to €305.8m compared to €307.8m in the same period prior year. Sales development in local currencies was impacted by a 19% increase in productivity while the number of active consultants in the quarter decreased by 9% to 3.1m (3.4m). Unit sales were down by 6%, while the price/mix effect was positive at 16%. The positive mix effect is a combination of geographic and product mix, primarily driven by Wellness and Skin Care.

Local currency sales increased by 31% in Asia & Turkey, by 2% in Europe & Africa and by 13% in Latin America, whilst CIS was stable.

The gross margin was 69.5% (67.8%) and the operating margin amounted to 6.9% (5.6%). The operating margin was negatively impacted by currency movements (370 bps), higher costs for staff bonuses and share incentive plan (50 bps), offset by lower selling and marketing expenses, hedging and positive price/mix effects. Last year margins were impacted (50 bps) by start-up costs in the Noginsk factory.

Net profit amounted to €10.7m (€11.2m) and earnings per share amounted to €0.19 (€0.20).

Cash flow from operating activities decreased to €21.5m (€24.1m).

The average number of full-time equivalent employees decreased to 6,356 (6,763) as a result of various efficiency measures.

## Operational highlights

### Brand and Innovation

The strategic product categories Skin Care and Wellness outperformed the other categories during the quarter. The rollout of the flagship brand *NovAge* continued and is contributing to increased sales of Skin Care sets as well as improving the profitability within the category.

In Colour Cosmetics, the ignite of the *Giordani Gold* brand continued with the introduction of the *Iconic Matte* lipstick, building on the global matte lipstick trend. The *ONE* continued to build the brand's Face segment with the new launch of *Everlasting Extreme Foundation* – a long-wearing foundation specifically targeted for developing markets.

The Fragrance category was driven by strong newness performance during the quarter. Among the key launches were the two female fragrances, *Innocent White Lilac* and *Delicate Cherry blossom* as part of *Oriflame Collection*.

Personal and Hair Care was the category with the slowest performance in the quarter. Best-selling brands within the category were *Feminelle* and *North for Men*, driven by the re-launch of the brand.

### Online, Service and Manufacturing

A continued strong development of leaders working with the Oriflame online tools could be seen during the quarter. Following the completion of the global rollout of the new digital cloud native platform, activities were focused on further development and fine tuning of the platform, with special attention to mobile optimization of key digital tools for consultants. Several new apps were launched during the quarter, among those the *Oriflame Makeup Wizard* that was very well received by the target audience with large download volumes and high utilization. The *Oriflame Makeup Wizard* is allowing the user to virtually try Oriflame's range of colour cosmetics using the device camera and advanced face tracking functionality connected to shopping functionality. Furthermore, after the end of the quarter the *Oriflame Beauty* app was introduced and was e.g. directly after launch one of the most downloaded apps in Indonesia.

Service levels remained healthy and the number of inventory days were reduced further. The overall utilisation of assets were continuously challenging. In line with the previous announcement to improve capacity utilization within the Group's manufacturing, various alternatives are being evaluated. This includes increased insourcing, additional technologies as well as external sales opportunities. The plans are proceeding well and a positive development was seen in the quarter.



## Asia & Turkey

### Key figures

	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16
Sales, €m	84.2	87.1	77.2	100.4	103.9
Sales growth in €	48%	39%	34%	32%	23%
Sales growth in lc	28%	22%	26%	28%	31%
Op profit, €m <sup>1</sup>	8.5	15.1	10.7	19.8	14.7
Op margin	10.1%	17.3%	13.8%	19.8%	14.2%
Active consultants, '000	874	817	790	928	961
Sales /active consultant, €	96.3	106.5	97.8	108.2	108.2

<sup>1</sup>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

First quarter sales growth in local currencies was 31% as a result of a 10% increase in the number of active consultants and a 21% increase in productivity. Euro sales were up by 23% to €103.9m (€84.2m). Most markets performed well with particularly strong development in China, Indonesia and Turkey during the quarter. A combination of solid leadership, online activity and a clear focus on Skin Care and Wellness sets and routines continues to drive the strong performance in the region.

Operating margin increased to 14.2% (10.1%) and operating profit was €14.7m (€8.5m). The margin was positively affected by a favourable geographical mix and sales leverage.

14.2%

OPERATING  
MARGIN

## CIS

### Key figures

	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16
Sales, €m	108.4	97.4	77.2	104.0	86.6
Sales growth in €	(30%)	(27%)	(32%)	(30%)	(20%)
Sales growth in lc	(5%)	(15%)	(9%)	(13%)	0%
Op profit, €m <sup>1</sup>	12.6	6.9	7.1	8.9	7.2
Op margin	11.6%	7.1%	9.2%	8.6%	8.4%
Active consultants, '000	1,531	1,243	1,075	1,281	1,133
Sales /active consultant, €	70.8	78.4	71.8	81.2	76.4

<sup>1</sup>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 first quarter were stable, as a result of a 26% decrease in the number of active consultants and an increase in productivity of 26%. Euro sales were down by 20% to €86.6m (€108.4m). An overall increased online activity was seen in the region during the quarter, as a result of higher use of online tools among the leaders. Local currency sales in Russia were up by 3%, driven by solid leadership development and overall high activity. The development in Ukraine was impacted by the continued weak consumer situation and poor market conditions in the country.

Operating profit amounted to €7.2m (€12.6m) resulting in an operating margin of 8.4% (11.6%). Margins were negatively affected by exchange rate and product mix.

+3%

LOCAL CURRENCY  
SALES IN RUSSIA



## Europe & Africa

### Key figures

	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16
Sales, €m	81.7	79.0	71.3	97.0	82.4
Sales growth in €	(6%)	(4%)	2%	3%	1%
Sales growth in lc	(7%)	(6%)	2%	3%	2%
Op profit, €m <sup>1</sup>	11.7	11.7	11.0	15.2	11.8
Op margin	14.3%	14.8%	15.4%	15.7%	14.3%
Active consultants, '000	797	735	663	774	768
Sales /active consultant, €	102.6	107.5	107.6	125.4	107.3

<sup>1</sup>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 first quarter increased by 2%, with similar growth in both Europe and Africa, as a result of a 4% decrease in active consultants and 6% increase in productivity. Euro sales increased by 1% to €82.4m (€81.7m). Continued improvements could be seen in Europe, driven by Central Europe where the new Success Plan together with a strong leadership focus continue to deliver results. Africa had a challenging quarter as several of the markets are facing macroeconomic difficulties.

Operating profit amounted to €11.8m (€11.7m) and operating margin was stable at 14.3% (14.3%).

14.3%

OPERATING  
MARGIN

## Latin America

### Key figures

	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16
Sales, €m	30.4	35.7	35.3	35.6	29.4
Sales growth in €	15%	15%	8%	10%	(3%)
Sales growth in lc	7%	9%	15%	17%	13%
Op profit, €m <sup>1</sup>	1.8	4.1	5.0	5.1	2.6
Op margin	6.0%	11.4%	14.1%	14.3%	8.9%
Active consultants, '000	227	228	268	263	243
Sales /active consultant, €	133.6	156.6	131.6	135.6	120.9

<sup>1</sup>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 first quarter increased by 13% as a result of a 7% increase in the number of active consultants and a 6% increase in productivity compared to prior year. Euro sales were down by 3% to €29.4m (€30.4m). The strong performance in Mexico and Peru continued, while the region was negatively impacted by the development in Ecuador.

Operating profit amounted to €2.6m (€1.8m) and operating margin to 8.9% (6.0%), positively impacted by price/mix, favourable rates linked to product costs and lower selling and marketing expenses.

+13%

LOCAL CURRENCY  
SALES



## Sales, operating profit and consultants by Global Business Area

Sales (€ Million)	3 months ended 31 March		Change in Euro	Change in lc	LTM, April'15- March'16	Year end 2015
	2016	2015				
Asia & Turkey	103.9	84.2	23%	31%	368.5	348.8
CIS	86.6	108.4	(20%)	0%	365.2	387.0
Europe & Africa	82.4	81.7	1%	2%	329.8	329.1
Latin America	29.4	30.4	(3%)	13%	135.9	136.9
Manufacturing	2.1	1.5	44%	49%	3.7	3.1
Other	1.4	1.6	(17%)	(18%)	6.5	6.7
<b>Total sales</b>	<b>305.8</b>	<b>307.8</b>	<b>(1%)</b>	<b>10%</b>	<b>1,209.6</b>	<b>1,211.6</b>

Adj. operating profit (€ Million)	3 months ended 31 March		Change	LTM, April'15- March'16	Year end 2015
	2016	2015			
Asia & Turkey	14.7	8.5	73%	60.3	54.1
CIS	7.2	12.6	(42%)	30.1	35.5
Europe & Africa	11.8	11.7	1%	49.7	49.6
Latin America	2.6	1.8	45%	16.8	16.0
Manufacturing	3.3	0.7	371%	8.8	6.2
Other	(18.5)	(18.1)	(2%)	(61.6)	(61.2)
<b>Total adj. operating profit</b>	<b>21.1</b>	<b>17.2</b>	<b>23%</b>	<b>104.1<sup>1</sup></b>	<b>100.2<sup>1</sup></b>

<sup>1</sup>Adjusted for non-recurring items of €9.6m

Active consultants (‘000)	31 March			Year end 2015
	2016	2015	Change	
Asia & Turkey	961	874	10%	928
CIS	1,133	1,531	(26%)	1,281
Europe & Africa	768	797	(4%)	774
Latin America	243	227	7%	263
<b>Total</b>	<b>3,105</b>	<b>3,429</b>	<b>(9%)</b>	<b>3,246</b>





0.6

NET DEBT AT  
HEDGED VALUES  
/EBITDA

## Cash flow & investments

Cash flow from operating activities in the first quarter amounted to €21.5m (€24.1m). Last year was positively impacted by realised profit on exchange rates and a received insurance claim of €7.8m relating to the Indian warehouse fire in 2013.

Cash flow used in investing activities amounted to €-1.7m (€-3.9m).

## Financial position

Net interest-bearing debt at hedged values amounted to €78.7m (€175.3m). The net debt at hedged values/EBITDA ratio was 0.6 (1.5).

Net interest-bearing debt amounted to €133.8m (€264.7m). The net debt/EBITDA ratio was 1.1 (2.3). Interest cover amounted to 4.7 (3.4) in the quarter and to 5.2 (4.8) during the last twelve months.

During the quarter \$80.0m of the long-term debt was prepaid, corresponding to a cash outflow of €56.0m.

## Covenant disclosure

As per the end of the first quarter 2016, the financial measures as defined in the Revolving Credit Facility Agreement and the Private Placement Notes Amendment document were as follows:

Consolidated Net Debt to Consolidated EBITDA: 0.9 (covenant at ≤ 3.0 times)

Consolidated EBITDA to Consolidated Finance costs: 7.4 (covenant at ≥ 5.0 times)

Consolidated Net Worth: €153m (covenant at ≥ €120m)

Note that the definition of these measures differ 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 2015.

## Annual Report

The 2015 annual report was published on the company's website on 15 April 2016.

## Annual General Meeting

Oriflame Holding AG has held its 2016 Annual General Meeting in Zurich, Switzerland, on 17 May 2016. For further information please see the separate press release issued on 17 May 2016.

## Outcome of the 2013 Share Incentive plan and related issuance of new shares under the Company's conditional share capital

In accordance with the terms of the Company's share incentive and retention plan (the SIP) the Board of Directors has resolved to deliver a total of 132,558 Company shares as achievement shares to participants of the 2013 SIP investment scheme. Out of the total number of shares to be that are delivered, 45,402 shares are issued as new shares under the Company's conditional share capital. Following the issuance the Company's share capital amounts to a total of 55,753,965 shares, with a total nominal value of CHF 83,630,947.50. The share capital increase is expected to be recorded with the commercial register within 2 days from today. The remaining 87,156



17%  
SECOND QUARTER  
TO DATE LC SALES

13%  
YEAR TO DATE LC  
SALES

achievement shares are being delivered from the existing treasury shares held by the Company. The participants have no subscription or purchase price costs for any of the achievement shares. For further information about the Company's share incentive programs, please see the corporate governance section on the Company's website.

## Dividend

The Annual General Meeting held on 17 May 2016 has resolved that a dividend in the amount of €0.40 per outstanding share of the Company be distributed and paid in two installments as follows: €0.20 to the shareholders of record on 15 November 2016 and €0.20 to the shareholders of record on 15 February 2017. The dividend will be taken from a dividend reserve amounting to CHF 33,000,000 to be created with funds from the Company's capital contribution reserve. This dividend reserve amount includes a buffer of 37% for inter alia exchange rate fluctuations. Any excess amount of the dividend reserve remaining after payment of the final installment be automatically reallocated to the capital contribution reserve. In the unlikely event that the dividend reserve will not be sufficient for the payment of any the dividend instalments, such dividend payments will be adjusted downwards on a pro rata basis.

## Personnel

The average number of full-time equivalent employees decreased to 6,356 (6,763), driven by various efficiency measures.

## Significant events after the quarter

### Authority visits in Russia

On April 22, Oriflame's premises in Moscow and Moscow oblast were visited by local authorities. Oriflame is still seeking the reason behind these unannounced visits. The Company has always been and remains fully transparent and willing to cooperate with the authorities.

## Year to date and second quarter update

The year to date sales development is approximately 13% in local currency and the development in the second quarter to date is approximately 17% in local currency. The quarterly number is positively impacted by timing.

## 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 2016/2017

The second quarter 2016 report will be published on 16 August 2016.

The third quarter 2016 report will be published on 10 November 2016.

The fourth quarter 2016 report will be published on 16 February 2017.

Capital Markets Day: Linked to the Company's fifty year anniversary, a Capital Markets Day will be held in connection to the fourth quarter 2016 report.





## Other

A Swedish translation is available on [www.oriflame.com](http://www.oriflame.com).

### **Conference call for the financial community**

The company will host a conference call on Wednesday, 18 May 2016 at 9.30 CET.

#### **Participant access numbers:**

DK: +45 35445575

FI: +358 981710493

UK: +44 2030089802

NO: +47 23500254

SE: +46 856642690

US: +1 8557532235

The conference call will also be audio web cast in “listen-only” mode through Oriflame’s website: **[www.oriflame.com](http://www.oriflame.com)** or through <http://oriflame-ir.creo.se/160518>

18 May 2016

Magnus Brännström  
Chief Executive Officer

This report has not been audited by the company’s auditors.

Oriflame publishes the information in this interim report in accordance with the Securities Market Act on, Wednesday 18 May, 2016 at 07:15 am (CET).

For further information, please contact:

<b>Magnus Brännström</b> , Chief Executive Officer	Tel: +41 798 263 754
<b>Gabriel Bennet</b> , Chief Financial Officer	Tel: +41 798 263 769
<b>Nathalie Redmo</b> , Investor Relations Manager	Tel: +41 799 220 173

#### **Oriflame Holding AG**

Bleicheplatz 3, CH-8200 Schaffhausen, Switzerland

[www.oriflame.com](http://www.oriflame.com)

Company registration no CHE-134.446.883



## Consolidated key figures

	3 months ended 31 March		LTM, April'15- March'16 <sup>1</sup>	Year end 2015 <sup>1</sup>
	2016	2015		
Gross margin, %	69.5	67.8	69.6	69.2
EBITDA margin, %	9.1	7.5	10.1	9.7
Adj. operating margin, %	6.9	5.6	8.6	8.3
Return on:				
- operating capital, %	-	-	26.2	25.4
- capital employed, %	-	-	21.6	20.7
Net debt at hedged values / EBITDA (LTM)	0.6	1.5	0.6	0.8
Net debt / EBITDA (LTM)	1.1	2.3	1.1	1.5
Interest cover	4.7	3.4	5.2	4.8
Average no. of full-time equivalent employees	6,356	6,763	6,433	6,535

<sup>1</sup>Adjusted for non-recurring items of €9.6m

## 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

<b>Financial summary</b>	<b>Q4'14<sup>1</sup></b>	<b>Q1'15</b>	<b>Q2'15<sup>2</sup></b>	<b>Q3'15</b>	<b>Q4'15<sup>3</sup></b>	<b>Q1'16</b>
Sales, €m	353.7	307.8	301.0	263.2	339.5	305.8
Gross margin, %	65.9	67.8	70.7	67.6	70.3	69.5
EBITDA, €m	34.4	23.0	29.6	25.1	39.7	27.7
Adj. operating profit, €m	29.8	17.2	25.0	19.1	38.9	21.1
Adj. operating margin, %	8.4	5.6	8.3	7.3	11.5	6.9
Adj. net profit before income tax, €m	22.3	17.0	19.0	9.8	31.0	15.7
Adj. net profit, €m	11.1	11.2	11.9	4.9	15.2	10.7
Adj. EPS, diluted €	0.20	0.20	0.21	0.09	0.27	0.19
Cash flow from op. activities, €m	66.0	24.1	25.3	4.1	68.8	21.5
Net interest-bearing debt, €m	245.4	264.7	226.8	231.3	171.6	133.8
Active consultants, '000	3,473	3,429	3,023	2,796	3,246	3,105

<b>Sales, €m</b>	<b>Q4'14</b>	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>	<b>Q4'15</b>	<b>Q1'16</b>
Asia & Turkey	76.3	84.2	87.1	77.2	100.4	103.9
CIS	149.1	108.4	97.4	77.2	104.0	86.6
Europe & Africa	94.3	81.7	79.0	71.3	97.0	82.4
Latin America	32.5	30.4	35.7	35.3	35.6	29.4
Manufacturing	0.1	1.5	0.3	0.6	0.7	2.1
Other	1.4	1.6	1.5	1.6	1.8	1.4
<b>Oriflame</b>	<b>353.7</b>	<b>307.8</b>	<b>301.0</b>	<b>263.2</b>	<b>339.5</b>	<b>305.8</b>

<b>Adj. operating Profit, €m</b>	<b>Q4'14</b>	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>	<b>Q4'15</b>	<b>Q1'16</b>
Asia & Turkey	11.6	8.5	15.1	10.7	19.8	14.7
CIS	18.3	12.6	6.9	7.1	8.9	7.2
Europe & Africa	15.5	11.7	11.7	11.0	15.2	11.8
Latin America	3.4	1.8	4.1	5.0	5.1	2.6
Manufacturing	(2.1)	0.7	0.4	2.7	2.3	3.3
Other	(16.9)	(18.1)	(13.3)	(17.4)	(12.4)	(18.5)
<b>Oriflame</b>	<b>29.8<sup>1</sup></b>	<b>17.2</b>	<b>25.0<sup>2</sup></b>	<b>19.1</b>	<b>38.9<sup>3</sup></b>	<b>21.1</b>

<b>Active consultants, '000</b>	<b>Q4'14</b>	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>	<b>Q4'15</b>	<b>Q1'16</b>
Asia & Turkey	827	874	817	790	928	961
CIS	1,626	1,531	1,243	1,075	1,281	1,133
Europe & Africa	789	797	735	663	774	768
Latin America	231	227	228	268	263	243
<b>Oriflame</b>	<b>3,473</b>	<b>3,429</b>	<b>3,023</b>	<b>2,796</b>	<b>3,246</b>	<b>3,105</b>

<b>Adj. operating Margin, %</b>	<b>Q4'14</b>	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>	<b>Q4'15</b>	<b>Q1'16</b>
Asia & Turkey	15.2	10.1	17.3	13.8	19.8	14.2
CIS	12.3	11.6	7.1	9.2	8.6	8.4
Europe & Africa	16.5	14.3	14.8	15.4	15.7	14.3
Latin America	10.3	6.0	11.4	14.1	14.3	8.9
<b>Oriflame</b>	<b>8.4<sup>1</sup></b>	<b>5.6</b>	<b>8.3<sup>2</sup></b>	<b>7.3</b>	<b>11.5<sup>3</sup></b>	<b>6.9</b>

<sup>1</sup> Adjusted for non-recurring items of €1.3m <sup>2</sup> Adjusted for non-recurring items of €3.2m <sup>3</sup> Adjusted for non-recurring items of €6.3m

<b>€ Sales Growth in %</b>	<b>Q4'14</b>	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>	<b>Q4'15</b>	<b>Q1'16</b>
Asia & Turkey	35	48	39	34	32	23
CIS	(18)	(30)	(27)	(32)	(30)	(20)
Europe & Africa	(7)	(6)	(4)	2	3	1
Latin America	8	15	15	8	10	(3)
<b>Oriflame</b>	<b>(5)</b>	<b>(6)</b>	<b>(3)</b>	<b>(4)</b>	<b>(4)</b>	<b>(1)</b>

<b>Cash Flow, €m</b>	<b>Q4'14</b>	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>	<b>Q4'15</b>	<b>Q1'16</b>
Operating cash flow	66.0	24.1	25.3	4.1	68.8	21.5
Cash flow used in investing activities	21.1	(3.9)	(5.3)	(3.9)	(2.3)	(1.7)



## Condensed consolidated income statements

€'000	3 months ended March		LTM, April'15- March'16	Year End 2015
	2016	2015		
Sales	305,805	307,820	1,209,548	1,211,563
Cost of sales	(93,264)	(99,102)	(367,410)	(373,248)
<b>Gross profit</b>	<b>212,541</b>	<b>208,718</b>	<b>842,138</b>	<b>838,315</b>
Other income	10,654	10,968	43,811	44,124
Selling and marketing expenses	(114,647)	(118,139)	(439,625)	(443,117)
Distribution and infrastructure	(23,241)	(23,974)	(92,603)	(93,336)
Administrative expenses	(64,165)	(60,347)	(259,165)	(255,347)
<b>Operating profit</b>	<b>21,142</b>	<b>17,225</b>	<b>94,556</b>	<b>90,639</b>
<b>Analysis of operating profit:</b>				
Adjusted operating profit	21,142	17,225	104,103	100,186
Non-recurring items <sup>1</sup>	-	-	(9,547)	(9,547)
<b>Operating profit</b>	<b>21,142</b>	<b>17,225</b>	<b>94,556</b>	<b>90,639</b>
Financial income	16,265	59,760	19,184	62,679
Financial expenses	(21,733)	(59,978)	(47,787)	(86,031)
<b>Net financing costs</b>	<b>(5,468)</b>	<b>(218)</b>	<b>(28,603)</b>	<b>(23,352)</b>
<b>Net profit before income tax</b>	<b>15,674</b>	<b>17,008</b>	<b>65,953</b>	<b>67,287</b>
Total income tax expense	(5,002)	(5,776)	(32,342)	(33,116)
<b>Net profit</b>	<b>10,672</b>	<b>11,232</b>	<b>33,611</b>	<b>34,171</b>
<b>Analysis of net profit:</b>				
Adjusted net profit	10,672	11,232	42,673	43,233
Non-recurring items <sup>1</sup>	-	-	(9,547)	(9,547)
Non-recurring tax items	-	-	485	485
<b>Net profit</b>	<b>10,672</b>	<b>11,232</b>	<b>33,611</b>	<b>34,171</b>

<sup>1</sup> non-recurring items in 2015 relate to pension entries and to restructuring entries

## Earnings per share

€	3 months ended March		LTM, April'15- March'16	Year end 2015
	2016	2015		
*Adj. EPS:				
- basic	0.19	0.20	0.78	0.79
- diluted	0.19	0.20	0.77	0.79
EPS:				
- basic	0.19	0.20	0.61	0.62
- diluted	0.19	0.20	0.61	0.62
Weighted avg. number of shares outstanding:				
- basic	55,608,563	55,608,563	55,006,560	54,868,150
- diluted	56,055,560	55,608,563	55,453,557	54,868,150
Total number of shares outstanding:				
- basic	55,608,563	55,608,563	55,608,563	55,608,563
- diluted	56,055,560	55,608,563	56,055,560	55,608,563

\*Adj EPS calculation based on adjusted net profit.



## Condensed consolidated statements of comprehensive income

€'000	3 months ended 31 March			
	2016	2015	LTM, April'15- March'16	Year end 2015
Net profit	10,672	11,232	33,611	34,171
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Remeasurements of net defined liability, net of tax	-	-	(250)	(250)
Revaluation reserve	(30)	227	(367)	(110)
<b>Total items that will not be reclassified subsequently to profit or loss:</b>	<b>(30)</b>	<b>227</b>	<b>(617)</b>	<b>(360)</b>
<b>Items that are or may be reclassified subsequently to profit or loss:</b>				
Foreign currency translation differences for foreign operations	(2,008)	11,432	(37,252)	(23,812)
Effective portion of changes in fair value of cash flow hedges, net of tax	(949)	(4,697)	2,799	(948)
<b>Total items that are or may be reclassified subsequently to profit or loss</b>	<b>(2,957)</b>	<b>6,736</b>	<b>(34,453)</b>	<b>(24,760)</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>(2,987)</b>	<b>6,962</b>	<b>(35,070)</b>	<b>(25,120)</b>
<b>Total comprehensive income for the period</b>	<b>7,685</b>	<b>18,195</b>	<b>(1,459)</b>	<b>9,051</b>



## Condensed consolidated statements of financial position

€'000	31 March, 2016	31 December, 2015	31 March, 2015
<b>Assets</b>			
Property, plant and equipment	152,655	153,138	182,798
Intangible assets	16,604	17,356	18,858
Investment property	542	542	541
Deferred tax assets	22,008	20,796	22,167
Other long-term receivables	937	992	898
<b>Total non-current assets</b>	<b>192,746</b>	<b>192,824</b>	<b>225,262</b>
Inventories	148,590	162,514	180,854
Trade and other receivables	71,258	62,725	79,377
Tax receivables	7,890	7,051	8,042
Prepaid expenses	34,064	37,032	43,656
Derivative financial assets	59,356	85,098	111,801
Cash and cash equivalents	136,048	176,384	117,538
<b>Total current assets</b>	<b>457,206</b>	<b>530,804</b>	<b>541,268</b>
<b>Total assets</b>	<b>649,952</b>	<b>723,628</b>	<b>766,530</b>
<b>Equity</b>			
Share capital	79,788	79,788	71,527
Treasury shares	(621)	(621)	(41,235)
Share premium	654,381	654,381	15,324
Reserves	(180,412)	(178,675)	(143,668)
Retained earnings	(390,744)	(401,416)	257,163
<b>Total equity</b>	<b>162,392</b>	<b>153,457</b>	<b>159,111</b>
<b>Liabilities</b>			
Interest-bearing loans	265,211	343,437	348,601
Other long-term non interest-bearing liabilities	839	839	1,498
Net defined benefit liability	3,740	3,652	-
Deferred income	332	324	325
Deferred tax liabilities	2,591	3,860	2,612
<b>Total non-current liabilities</b>	<b>272,713</b>	<b>352,112</b>	<b>353,036</b>
Current portion of interest-bearing loans	3,319	2,963	33,199
Trade and other payables	70,719	82,345	92,696
Deferred Income	125	767	2,680
Tax payables	15,313	15,324	13,256
Accrued expenses	109,416	99,072	94,875
Derivative financial liabilities	3,909	3,785	12,013
Provisions	12,046	13,803	5,664
<b>Total current liabilities</b>	<b>214,847</b>	<b>218,059</b>	<b>254,383</b>
<b>Total liabilities</b>	<b>487,560</b>	<b>570,171</b>	<b>607,419</b>
<b>Total equity and liabilities</b>	<b>649,952</b>	<b>723,628</b>	<b>766,530</b>





## Condensed consolidated statements of changes in equity

€'000	Share capital	Treasury shares	Share premium	Total reserves	Retained earnings	Total equity
<b>At 1 January 2015</b>	<b>71,527</b>	<b>(41,235)</b>	<b>15,324</b>	<b>(150,630)</b>	<b>245,931</b>	<b>140,917</b>
Net profit	-	-	-	-	11,232	11,232
Other comprehensive income, net of tax	-	-	-	6,962	-	6,962
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,962</b>	<b>11,232</b>	<b>18,194</b>
<b>At 31 March 2015</b>	<b>71,527</b>	<b>(41,235)</b>	<b>15,324</b>	<b>(143,668)</b>	<b>257,163</b>	<b>159,111</b>
<b>At 1 January 2016</b>	<b>79,788</b>	<b>(621)</b>	<b>654,381</b>	<b>(178,675)</b>	<b>(401,416)</b>	<b>153,457</b>
Net profit	-	-	-	-	10,672	10,672
Other comprehensive income, net of tax	-	-	-	(2,987)	-	(2,987)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,987)</b>	<b>10,672</b>	<b>7,685</b>
Share incentive plan	-	-	-	1,250	-	1,250
<b>Total contributions and distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,250</b>	<b>-</b>	<b>1,250</b>
<b>At 31 March 2016</b>	<b>79,788</b>	<b>(621)</b>	<b>654,381</b>	<b>(180,412)</b>	<b>(390,744)</b>	<b>162,392</b>



## Condensed consolidated statements of cash flows

€'000	3 months ended 31 March	
	2016	2015
<b>Operating activities</b>		
<b>Net profit before income tax</b>	<b>15,674</b>	<b>17,008</b>
Adjustments for:		
Depreciation of property, plant and equipment	4,368	4,681
Amortisation of intangible assets	955	1,095
Change in fair value of borrowings and derivatives financial instruments	2,197	13,729
Deferred income	(632)	(325)
Share incentive plan	1,250	-
Unrealised exchange rate differences	(7,809)	(10,486)
Profit on disposal of property, plant and equipment, intangible assets and investment property	(20)	(71)
Financial income	(4,517)	(5,625)
Financial expenses	7,018	8,424
<b>Operating profit before changes in working capital and provisions</b>	<b>18,484</b>	<b>28,430</b>
Increase/(Decrease) in trade and other receivables, prepaid expenses and derivative financial assets	(5,150)	27,426
Decrease in inventories	20,952	2,046
Decrease in trade and other payables, accrued expenses and derivatives financial liabilities	(538)	(21,037)
Decrease in provisions	(1,544)	(1,602)
<b>Cash generated from operations</b>	<b>32,204</b>	<b>35,263</b>
Interest received	5,671	4,962
Interest and bank charges paid	(8,039)	(6,628)
Income taxes paid	(8,386)	(9,495)
<b>Cash flow from operating activities</b>	<b>21,450</b>	<b>24,102</b>
<b>Investing activities</b>		
Proceeds on sale of property, plant and equipment, intangible assets and investment property	65	85
Purchases of property, plant, equipment and investment property	(1,530)	(3,699)
Purchases of intangible assets	(212)	(323)
<b>Cash flow used in investing activities</b>	<b>(1,677)</b>	<b>(3,937)</b>
<b>Financing activities</b>		
Proceeds from borrowings	-	-
Repayments of borrowings	(56,041)	(458)
Decrease of finance lease liabilities	(3)	(21)
<b>Cash flow used in financing activities</b>	<b>(56,044)</b>	<b>(479)</b>
<b>Change in cash and cash equivalents</b>	<b>(36,271)</b>	<b>19,686</b>
Cash and cash equivalents at the beginning of the period net of bank overdrafts	176,384	95,515
Effect of exchange rate fluctuations on cash held	(4,394)	2,342
<b>Cash and cash equivalents at the end of the period net of bank overdrafts</b>	<b>135,719</b>	<b>117,543</b>



## Notes to the condensed consolidated financial information 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 financial statements of the Company as at and for the year ended 31 March 2016 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 financial information has 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 2015. The condensed consolidated financial information was authorised for issue by the Directors on 17 May 2016.

#### **Changes in accounting policies**

The accounting policies applied by the Group in this condensed consolidated 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 2015 with the exception of new or revised standards, as explained below.

#### *New or amended IFRS standards*

The new or amended IFRS standards, which became effective 1, January 2016, have had no material effect on the condensed consolidated interim financial information.

### **Note 3 • Segment reporting**

The reportable segments have changed from 1 January 2016 to reflect the new Global Business Area structure. From this date, the new reportable segments consist of the following: Asia & Turkey, CIS, Europe & Africa, Latin America and Manufacturing.