



Year-end report | January – 31 December 2016

+8%

LC SALES

+5%

EURO SALES

11.8%

OPERATING MARGIN

3 months ended 31 December 2016

- Local currency sales increased by 8% and Euro sales increased by 5% to €355.1m (€339.5m).
- Number of registered actives* decreased by 7% to 3.0m.
- EBITDA amounted to €49.0m (€39.7m).
- Operating margin was 11.8% (9.6%, adjusted** 11.5%), impacted by -110 bps from currencies, and operating profit was €42.0m (€32.6m, adjusted** €38.9m). The operating margin was favourably impacted by a VAT income related to the Russian tax case, fully offset by Ukrainian and other one-off restructuring costs as well as costs linked to the outsourcing of financial and IT operations to IBM.
- Net profit was €25.2m (€8.9m, adjusted** €15.2m) and diluted EPS €0.44 (€0.16, adjusted** €0.27).
- Cash flow from operating activities was €61.7m (€68.8m).
- The first quarter to date sales development is approximately 11% in local currency.

*Replaces the former definition "active consultants" and represents Consultants having placed at least one order during the last 3 months.

**Adjusted for non-recurring items of €6.3m in the fourth quarter 2015.

12 months ended 31 December 2016

- Local currency sales increased by 12% and Euro sales increased by 3% to €1,249.4m (€1,211.6m)
- EBITDA amounted to €148.2m (€117.4m).
- Operating margin was 9.5% (7.5%, adjusted* 8.3%), impacted by -250 bps from currencies, and operating profit was €119.2m (€90.6m, adjusted* €100.2m).
- Net profit was €66.7m (€34.2m, adjusted** €43.2m) and diluted EPS €1.18 (€0.62, adjusted** €0.79).
- Cash flow from operating activities amounted to €113.1m (€122.2m).
- The Board of Directors will propose to the 2017 AGM a total dividend of €1.50 per share for 2016, of which €1.00 (€0.40) per share is to be considered as ordinary and €0.50 to be considered as extra dividend. The ordinary dividend is to be paid in equal quarterly instalments of €0.25 respectively starting in the second quarter 2017, and the extra dividend is to be paid during the second quarter 2017.

*Adjusted for non-recurring items of €9.6m during the period 2015.

**Adjusted for additional non-recurring items of (€0.5m) during the period 2015.

"2016 was a year when we returned to Euro growth, delivered double-digit local currency growth and increased the profitability each consecutive quarter – despite challenging market conditions and deteriorating macro."

CEO Magnus Bränström



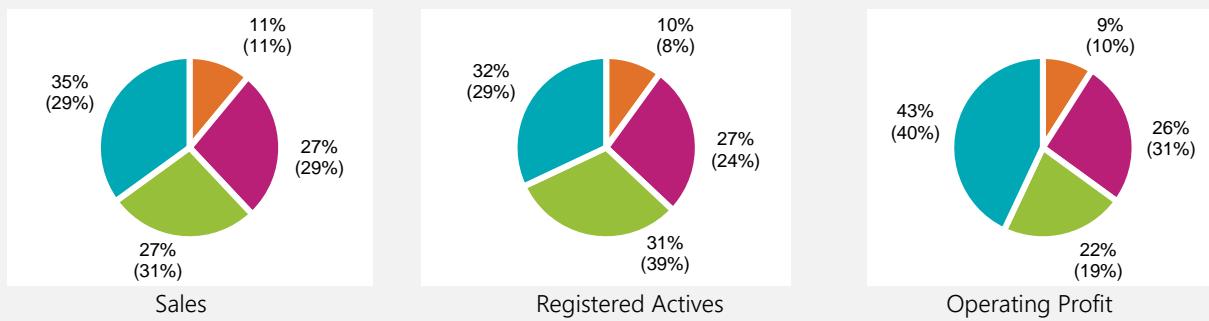
CEO Magnus Bränström comments

“2016 was a year when we made significant steps to improve the overall position of Oriflame and when the success from our online leaders and the sales of Skin Care and Wellness sets and routines reached new levels. It was a year when we returned to Euro growth, delivered double-digit local currency growth and increased the profitability each consecutive quarter – despite challenging market conditions and deteriorating macro. 2017 marks the 50th anniversary of Oriflame and we are reaching this milestone stronger than ever before, equipped with a good underlying momentum, solid strategy and strong financial position. At the same time, many of our markets continue to be volatile and face highly uncertain geopolitical and macroeconomic conditions. The first quarter has started in a promising way and we will continue to deliver on our strategy – ready to meet an ever-changing world during the next 50 years.”

Key financial data

3 months ended 31 December

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



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

Financial summary (€m)	3 months ended 31 December		12 months ended 31 December			
	2016	2015 ¹	Change %	2016	2015 ²	Change %
Sales	355.1	339.5	5%	1,249.4	1,211.6	3%
Gross margin, %	71.2	70.3		70.7	69.2	
EBITDA	49.0	39.7	24%	148.2	117.4	26%
Operating profit	42.0	32.6	29%	119.2	90.6	31%
Operating margin, %	11.8	9.6		9.5	7.5	
Adj. operating profit	42.0	38.9	8%	119.2	100.2	19%
Adj. operating margin, %	11.8	11.5		9.5	8.3	
Net profit before tax	37.3	24.7	51%	100.5	67.3	49%
Adj. net profit before tax	37.3	31.0	20%	100.5	76.9	31%
Net profit	25.2	8.9	183%	66.7	34.2	95%
Adj. net profit	25.2	15.2	65%	66.7	43.2 ³	54%
Diluted EPS, €	0.44	0.16	178%	1.18	0.62	90%
Adj. Diluted EPS, €	0.44	0.27	63%	1.18	0.79 ³	50%
Cash flow from operating activities	61.7	68.8	(10%)	113.1	122.2	(7%)
Net interest-bearing debt	82.3	171.6	(52%)	82.3	171.6	(52%)
Net interest-bearing debt at hedged values	13.2	94.0	(86%)	13.2	94.0	(86%)
Registered actives, '000	3,006	3,246	(7%)	3,006	3,246	(7%)
Sales per registered actives, €	117.2	103.8	13%	411.9	370.3	11%

¹Adjusted for non-recurring items of €6.3m

²Adjusted for non-recurring items of €9.6m

³Adjusted for additional non-recurring tax items of (€0.5m)



2016

LC SALES +12%
 EURO SALES +3%
 ADJ. OP. MARGIN
 +120 BPS
 ADJ. NET PROFIT +54%



HERO BRAND
 INNOAGE
 LAUNCHED IN
 CHINA

Three months ended 31 December 2016

Sales in local currencies increased by 8% and Euro sales increased by 5% to €355.1m compared to €339.5m in the same period prior year. Sales development in local currencies was impacted by a 15% increase in productivity while the number of registered actives in the quarter decreased by 7% to 3.0m (3.2m).

Unit sales decreased by 4% and the price/mix effect was up by 12%, primarily driven by mix effect. The positive mix effect is a combination of geographic and product mix, mainly driven by Skin Care and Wellness.

Local currency sales increased by 25% in Asia & Turkey, by 21% in Latin America and by 5% in Europe & Africa, whilst local currency sales decreased by 10% in CIS.

The gross margin at 71.2% (70.3%), was positively impacted by price/mix effects, partly offset by currency movements of 110 bps, higher raw material costs and negative comparables on hedging where last year had significant gains. The operating margin amounted to 11.8% (9.6%, adjusted 11.5%), negatively impacted by higher costs for share incentive plan and bonuses, offset by lower selling and marketing expenses. The operating margin was also favourably impacted by a VAT income related to the Russian tax case, fully offset by Ukrainian and other one-off restructuring costs as well as costs linked to the outsourcing of financial and IT operations to IBM.

Net profit amounted to €25.2m (€8.9m, adjusted €15.2m) and diluted earnings per share amounted to €0.44 (€0.16, adjusted €0.27).

Cash flow from operating activities decreased to €61.7m (€68.8m).

The average number of full-time equivalent employees decreased to 6,189 (6,462) as a result of various efficiency measures.

Twelve months ended 31 December 2016

Sales in local currencies increased by 12% and Euro sales increased by 3% to €1,249.4m compared to €1,211.6m in the same period prior year. Sales development in local currencies was impacted by a 19% increase in productivity while the number of registered actives decreased by 7%.

The gross margin amounted to 70.7% (69.2%) and the operating margin to 9.5% (7.5%, adjusted 8.3%). The operating margin was negatively impacted by currency movements of 250 bps, higher product costs and higher costs for the share incentive plan and bonuses, offset by lower selling and marketing expenses and positive price/mix effects.

Net profit amounted to €66.7m (€34.2m, adjusted €43.2m) and diluted earnings per share was €1.18 (€0.62, adjusted €0.79).

Cash flow from operating activities amounted to €113.1m (€122.2m).

Operational highlights

Brand and Innovation

The strategic categories Skin Care and Wellness continued to perform well during the quarter and both categories recorded double digit sales growth. The Skin Care growth was supported by a successful launch of the new Hero brand *Innoage* in China while the Wellness performance primarily was driven by set sales. For the third year in a row, *Wellness Pack Woman* was the product with largest contribution to the full-year sales.

In Colour Cosmetics, strong performance was seen from *The ONE Lip Sensations*, *The ONE Colour Stylist* and the limited edition mascara *5-in-1 Wonderlash BOLD INTENSITY*.

Key launches within the Fragrance category during the quarter were *My Destiny Eau De Parfum* and the new upper mass segment brand *Wonderflower Eau De Toilette*.

In Personal and Hair Care, a new range was launched within the brand *Essence & Co* and sales were mainly driven by seasonal newness and re-featured products.

Total net sales split among categories for the full year 2016:

12 months ended
 31 December

Product Category	2016	2015
Skin Care	27%	25%
Colour Cosmetics	23%	23%
Fragrances	20%	20%
Personal and Hair Care	16%	17%
Accessories	6%	8%
Wellness	8%	7%



IMPROVED
CAPACITY
UTILIZATION

Online

During the fourth quarter the Company's websites and mobile applications remained the primary point of interaction for transactions and Consultant information retrieval, with more than 90% of orders as well as new registrations being processed online. Continued rollout and further development of the Company's new e-commerce platform was in focus, together with the development and implementation of the Oriflame mobile app suite. Mobile access to Oriflame websites continued to increase and now represents nearly 50% of global sessions, surpassing 80% in selected markets. The upgraded versions of key mobile apps have continued to increase in download frequency as well as utilization, and have now surpassed 1 million downloads, primarily due to extended functionality and geographic reach. During the quarter, increased analytical and testing capabilities were introduced for decision support purposes, and significant efforts were put into further developing global online payment methods.

Service and Manufacturing

Service levels were healthy and the number of inventory days were low during the quarter.

As previously communicated, Oriflame has for some time been assessing and implementing various options to improve the capacity utilization in manufacturing, including insourcing external volumes, adding new technologies and exploring sales alternatives to third party customers. As a result of these efforts, the capacity utilization improved during the quarter, primarily driven by the insourcing initiatives, but also by adding new technologies and increasing external volumes. A separate manufacturing company named Cetes Cosmetics AG has been established to enable a more flexible and focused approach for Oriflame to reach new target customer groups in other distribution channels and geographies, with contract manufacturing presenting the largest potential. Cetes Cosmetics AG will leverage on the knowledge and competence built by Oriflame over many years with the main scope to continue to support the organic growth of Oriflame while leveraging the manufacturing assets with external volumes.

The implementation of the outsourcing of IT and financial operational services to IBM continued to develop well. As previously announced, one-off costs of around €3m related to the integration activities were taken during the quarter.



21%

LC SALES

Latin America

Key figures

	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Sales, €m	35.6	29.4	38.5	40.9	39.8
Sales growth in €	10%	(3%)	8%	16%	12%
Sales growth in lc	17%	13%	27%	26%	21%
Op profit, €m ¹	5.1	2.6	6.1	7.2	5.8
Op margin	14.3%	8.9%	15.8%	17.6%	14.5%
Registered actives, '000	263	243	286	314	288
Sales /registered actives, €	135.6	120.9	134.5	130.2	138.5

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.

Development

Local currency sales in the fourth quarter increased by 21% as a result of a 10% increase in the number of registered actives and an 11% increase in productivity compared to prior year. Euro sales were up by 12% to €39.8m (€35.6m), positively impacted by timing. Healthy growth was seen in most markets, with continued strong performance in the main market Mexico despite challenging market conditions. The performance in the region continues to be driven by strong leadership development and successful incentive programs.

Operating profit amounted to €5.8m (€5.1m) and operating margin to 14.5% (14.3%). The operating margin was favourably impacted by price increases, partly offset by negative currency movements.

17.7%

OPERATING
MARGIN

Europe & Africa

Key figures

	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Sales, €m	97.0	82.4	81.2	70.4	95.3
Sales growth in €	3%	1%	3%	(1%)	(2%)
Sales growth in lc	3%	2%	7%	2%	5%
Op profit, €m ¹	15.2	11.8	12.4	8.9	16.8
Op margin	15.7%	14.3%	15.2%	12.7%	17.7%
Registered actives, '000	774	768	740	655	812
Sales /registered actives, €	125.4	107.3	109.7	107.6	117.4

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

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 fourth quarter increased by 5%, as a result of a 5% increase in registered actives and a stable productivity. Euro sales decreased by 2% to €95.3m (€97.0m). The sales development in Europe remained stable during the quarter and continued improvements could be seen in Africa, although macroeconomic and exchange rates challenges remain.

Operating profit amounted to €16.8m (€15.2m) and operating margin increased to 17.7% (15.7%), favourably impacted by timing of overhead costs.



NEGATIVE TIMING
OF CATALOGUES

CIS

Key figures

	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Sales, €m	104.0	86.6	78.0	67.2	93.9
Sales growth in €	(30%)	(20%)	(20%)	(13%)	(10%)
Sales growth in lc	(13%)	0%	4%	(3%)	(10%)
Op profit, €m ¹	8.9	7.2	5.2	5.5	14.0
Op margin	8.6%	8.4%	6.7%	8.1%	14.9%
Registered actives, '000	1,281	1,133	913	784	926
Sales /registered actives, €	81.2	76.4	85.4	85.7	101.5

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

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

Development

Local currency sales in the fourth quarter decreased by 10%, as a result of a 28% decrease in the number of registered actives and an increase in productivity of 18%. Euro sales were down by 10% to €93.9m (€104.0m). Local currency sales in Russia decreased by 9%, to a large extent driven by negative timing of catalogues. The online activity and leadership development remained on high levels during the quarter and progress was made with realizing the implemented price increases.

Operating profit amounted to €14.0m (€8.9m) resulting in an operating margin of 14.9% (8.6%). During the quarter Oriflame received tax audit decisions from the Russian Tax Authorities, which finalised the VAT and corporate income tax assessments for the period 2009-2013. Consequently, a one-off favourable VAT income was recorded during the quarter, partly offset by restructuring costs in Ukraine, resulting in a positive net impact of around €5m. Margins were further favourably affected by realized price increases.

22.4%

OPERATING
MARGIN

Asia & Turkey

Key figures

	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Sales, €m	100.4	103.9	109.5	97.5	123.3
Sales growth in €	32%	23%	26%	26%	23%
Sales growth in lc	28%	31%	35%	29%	25%
Op profit, €m ¹	19.8	14.7	23.1	17.7	27.6
Op margin	19.8%	14.2%	21.1%	18.1%	22.4%
Registered actives, '000	928	961	923	895	980
Sales /registered actives, €	108.2	108.2	118.8	109.0	125.7

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

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

Development

Fourth quarter sales growth in local currencies was 25% as a result of a 6% increase in the number of registered actives and a 19% increase in productivity. Euro sales were up by 23% to €123.3m (€100.4m). Most markets performed well with solid growth in China, Indonesia, and Vietnam. Continued positive development was seen in Turkey despite macro and political challenges, whereas India had a weak quarter due to recruitment challenges and demand being adversely impacted by the government's withdrawal of notes. A combination of solid leadership, online activity and a clear focus on Skin Care and Wellness sets and routines continues to drive the performance in the region.

Operating margin increased to 22.4% (19.8%) and operating profit was €27.6m (€19.8m). The margin was favourably impacted by the geographical mix.



Sales, operating profit and registered actives by Global Business Area

Sales (€m)	3 months ended 31 December		Change in Euro	Change in lc
	2016	2015		
Latin America	39.8	35.6	12%	21%
Europe & Africa	95.3	97.0	(2%)	5%
CIS	93.9	104.0	(10%)	(10%)
Asia & Turkey	123.3	100.4	23%	25%
Manufacturing	0.6	0.7	(17%)	(16%)
Other	2.2	1.8	20%	20%
Total sales	355.1	339.5	5%	8%

Sales (€m)	12 months ended 31 December		Change in Euro	Change in lc
	2016	2015		
Latin America	148.6	136.9	9%	22%
Europe & Africa	329.4	329.1	0%	4%
CIS	325.7	387.0	(16%)	(2%)
Asia & Turkey	434.3	348.8	25%	30%
Manufacturing	3.8	3.1	24%	28%
Other	7.6	6.7	14%	15%
Total sales	1,249.4	1,211.6	3%	12%

Adj. operating profit (€m)	3 months ended 31 December		12 months ended 31 December			
	2016	2015	Change	2016	2015	Change
Latin America	5.8	5.1	13%	21.7	16.0	36%
Europe & Africa	16.8	15.2	11%	49.9	49.6	1%
CIS	14.0	8.9	57%	31.9	35.5	(10%)
Asia & Turkey	27.6	19.8	39%	83.1	54.1	54%
Manufacturing	1.6	2.3	(31%)	9.1	6.2	47%
Other	(23.8)	(12.4)	(91%)	(76.5)	(61.2)	(25%)
Total adj. operating profit	42.0	38.9¹	8%	119.2	100.2²	19%

¹Adjusted for non-recurring items of €6.3m

²Adjusted for non-recurring items of €9.6m

Registered actives ('000)	31 December		
	2016	2015	Change
Latin America	288	263	10%
Europe & Africa	812	774	5%
CIS	926	1,281	(28%)
Asia & Turkey	980	928	6%
Total	3,006	3,246	(7%)



0.1
NET DEBT AT
HEDGED VALUES
/EBITDA

Cash flow & investments

Cash flow from operating activities in the fourth quarter amounted to €61.7m (€68.8m), driven by higher EBITDA and positive timing of payables, offset by working capital increase and timing of income taxes paid.

Cash flow used in investing activities amounted to €-4.6m (€-2.3m).

The full-year cash flow from operating activities decreased to €113.1m (€122.2m), driven by higher EBITDA, offset by working capital increase and timing of income taxes paid.

Financial position

Net interest-bearing debt at hedged values amounted to €13.2m (€94.0m). The net debt at hedged values/EBITDA ratio was 0.1 (0.8), favourably impacted by timing of payables.

Net interest-bearing debt amounted to €82.3m (€171.6m). The net debt/EBITDA ratio was 0.6 (1.5). Interest cover amounted to 6.9 (6.5) in the quarter and to 6.6 (4.8) during the last twelve months.

Covenant disclosure

As per the end of the fourth 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: 0.3 (covenant at \leq 3.0 times)

Consolidated EBITDA to Consolidated Finance costs: 13.8 (covenant at \geq 5.0 times)

Consolidated Net Worth: €212m (covenant at \geq €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.

Dividend

In accordance with the 2016 Annual General Meeting dividend resolution, a dividend in the amount of €0.40 per outstanding share of the Company is to 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 payment of the second dividend instalment of €0.20 (or, where applicable, its SEK equivalent) is expected to occur on 22 February 2017 (5 business days after the Dividend Record Date). The last day of trading the share on Nasdaq Stockholm with a right to this dividend instalment was 13 February 2016. The dividend instalment will be distributed out of the Company's Capital Contribution Reserve and is thereby not subject to any Swiss withholding tax.



11%

YEAR TO DATE LC
SALES

Dividend proposal to the 2017 AGM

The Board of Directors will propose to the 2017 AGM a total dividend of €1.50 per share for 2016, given the Company's strong financial position and with the Net Debt/EBITDA below the target range of 0.5 to 1.5, of which €1.00 (€0.40) per share is to be considered as ordinary and €0.50 to be considered as extra dividend. The ordinary dividend is to be paid in equal quarterly instalments of €0.25 respectively starting in the second quarter 2017, and the extra dividend is to be paid during the second quarter 2017. The dividend instalments will be distributed out of the Company's Capital Contribution Reserve and are thereby not subject to any Swiss withholding tax.

Personnel

The average number of full-time equivalent employees decreased to 6,189 (6,462), driven by various efficiency measures.

First quarter update

The quarter/year to date sales development is approximately 11% 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 2017

The 2017 Capital Markets Day will be held in Stockholm on 16 February 2017

The Annual Report will be published during April 2017, no later than 3 weeks prior to the Annual General Meeting

The 2017 Annual General Meeting will be held in Switzerland on 9 May 2017

The first quarter 2017 report will be published on 10 May 2017

The second quarter 2017 report will be published on 17 August 2017

The third quarter 2017 report will be published on 8 November 2017



Other

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

Conference call for the financial community

The company will host a conference call on Thursday, 16 February 2017 at 9.30 CET.

Participant access numbers:

SE: +46856642698
DK: +4535445575
FI: +358981710491
NO: +4723500252
UK: +442030089801
US: +18557532235

The conference call will also be audio web cast in “listen-only” mode through Oriflame’s website: www.oriflame.com or through <http://oriflame-ir.creo.se/170216>

16 February 2017

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 and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 07:15 CET on February 16, 2017.

Oriflame Holding AG

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www.oriflame.com
Company registration no CHE-134.446.883



Consolidated key figures

	3 months ended 31 December		12 months ended 31 December	
	2016	2015 ¹	2016	2015 ²
Gross margin, %	71.2	70.3	70.7	69.2
EBITDA margin, %	13.8	11.7	11.9	9.7
Adj. operating margin, %	11.8	11.5	9.5	8.3
Return on:				
- operating capital, %	-	-	38.0	25.4
- capital employed, %	-	-	26.7	20.7
Net debt at hedged values / EBITDA (LTM)	0.1	0.8	0.1	0.8
Net debt / EBITDA (LTM)	0.6	1.5	0.6	1.5
Interest cover	6.9	6.5	6.6	4.8
Average no. of full-time equivalent employees	6,189	6,462	6,233	6,535

¹ Adjusted for non-recurring items of €6.3m

² 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

Financial summary	Q3'15	Q4'15 ¹	Q1'16	Q2'16	Q3'16	Q4'16
Sales, €m	263.2	339.5	305.8	309.6	278.9	355.1
Gross margin, %	67.6	70.3	69.5	71.5	70.4	71.2
EBITDA, €m	25.1	39.7	27.7	40.6	30.8	49.0
Adj. operating profit, €m	19.1	38.9	21.1	30.8	25.2	42.0
Adj. operating margin, %	7.3	11.5	6.9	9.9	9.0	11.8
Adj. net profit before income tax, €m	9.8	31.0	15.7	27.1	20.4	37.3
Adj. net profit, €m	4.9	15.2	10.7	18.1	12.7	25.2
Adj. EPS, diluted €	0.09	0.27	0.19	0.32	0.23	0.44
Cash flow from op. activities, €m	4.1	68.8	21.5	35.8	(5.8)	61.7
Net interest-bearing debt, €m	231.3	171.6	133.8	106.5	111.8	82.3
Registered actives, '000	2,796	3,246	3,105	2,862	2,648	3,006
Sales, €m	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Latin America	35.3	35.6	29.4	38.5	40.9	39.8
Europe & Africa	71.3	97.0	82.4	81.2	70.4	95.3
CIS	77.2	104.0	86.6	78.0	67.2	93.9
Asia & Turkey	77.2	100.4	103.9	109.5	97.5	123.3
Manufacturing	0.6	0.7	2.1	0.4	0.7	0.6
Other	1.6	1.8	1.4	2.0	2.2	2.2
Oriflame	263.2	339.5	305.8	309.6	278.9	355.1
Adj. operating Profit, €m	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Latin America	5.0	5.1	2.6	6.1	7.2	5.8
Europe & Africa	11.0	15.2	11.8	12.4	8.9	16.8
CIS	7.1	8.9	7.2	5.2	5.5	14.0
Asia & Turkey	10.7	19.8	14.7	23.1	17.7	27.6
Manufacturing	2.7	2.3	3.3	1.6	2.5	1.6
Other	(17.4)	(12.4)	(18.5)	(17.6)	(16.6)	(23.8)
Oriflame	19.1	38.9¹	21.1	30.8	25.2	42.0
Registered actives, '000	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Latin America	268	263	243	286	314	288
Europe & Africa	663	774	768	740	655	812
CIS	1,075	1,281	1,133	913	784	926
Asia & Turkey	790	928	961	923	895	980
Oriflame	2,796	3,246	3,105	2,862	2,648	3,006
Adj. operating Margin, %	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Latin America	14.1	14.3	8.9	15.8	17.6	14.5
Europe & Africa	15.4	15.7	14.3	15.2	12.7	17.7
CIS	9.2	8.6	8.4	6.7	8.1	14.9
Asia & Turkey	13.8	19.8	14.2	21.1	18.1	22.4
Oriflame	7.3	11.5¹	6.9	9.9	9.0	11.8
¹ Adjusted for non-recurring items of €6.3m						
€ Sales Growth in %	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Latin America	8	10	(3)	8	16	12
Europe & Africa	2	3	1	3	(1)	(2)
CIS	(32)	(30)	(20)	(20)	(13)	(10)
Asia & Turkey	34	32	23	26	26	23
Oriflame	(4)	(4)	(1)	3	6	5
Cash Flow, €m	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Operating cash flow	4.1	68.8	21.5	35.8	(5.8)	61.7
Cash flow used in investing activities	(3.9)	(2.3)	(1.7)	(3.3)	(2.3)	(4.6)



Condensed consolidated income statements

€'000	3 months ended 31 December		12 months ended 31 December	
	2016	2015	2016	2015
Sales	355,107	339,491	1,249,382	1,211,563
Cost of sales	(102,382)	(100,892)	(366,467)	(373,248)
Gross profit	252,725	238,599	882,915	838,315
Other income	12,002	11,923	44,331	44,124
Selling and marketing expenses	(126,378)	(121,555)	(449,516)	(443,117)
Distribution and infrastructure	(26,027)	(24,836)	(94,056)	(93,336)
Administrative expenses	(70,315)	(71,560)	(264,490)	(255,347)
Operating profit*	42,007	32,571	119,184	90,639
Financial income	13,740	14,935	21,858	62,679
Financial expenses	(18,400)	(22,795)	(40,512)	(86,031)
Net financing costs	(4,660)	(7,860)	(18,654)	(23,352)
Net profit before income tax	37,347	24,711	100,530	67,287
Total income tax expense	(12,168)	(15,799)	(33,816)	(33,116)
Net profit*	25,179	8,912	66,714	34,171

* The analysis of operating profit and net profit is disclosed in note 3.

Earnings per share

€	3 months ended 31 December		12 months ended 31 December	
	2016	2015	2016	2015
EPS:				
- basic	0.45	0.16	1.20	0.62
- diluted	0.44	0.16	1.18	0.62
Weighted avg. number of shares outstanding:				
- basic	55,741,062	55,608,563	55,691,352	54,868,150
- diluted	56,587,350	55,608,563	56,537,639	54,868,150
Total number of shares outstanding (excluding treasury shares)	55,740,805	55,608,563	55,740,805	55,608,563



Condensed consolidated statements of comprehensive income

€'000	3 months ended 31 December		12 months ended 31 December	
	2016	2015	2016	2015
Net profit	25,179	8,912	66,714	34,171
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Remeasurements of net defined liability, net of tax	520	(250)	(316)	(250)
Revaluation reserve	(149)	(68)	(230)	(110)
Total items that will not be reclassified subsequently to profit or loss	371	(318)	(546)	(360)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences for foreign operations	10,930	(8,102)	12,299	(23,812)
Effective portion of changes in fair value of cash flow hedges, net of tax	(328)	(5,842)	(2,719)	(948)
Total items that are or may be reclassified subsequently to profit or loss	10,602	(13,944)	9,580	(24,760)
Other comprehensive income for the period, net of tax	10,973	(14,262)	9,034	(25,120)
Total comprehensive income for the period	36,152	(5,350)	75,748	9,051



Condensed consolidated statements of financial position

€'000	31 December, 2016	31 December, 2015
Assets		
Property, plant and equipment	164,831	153,138
Intangible assets	13,849	17,356
Investment property	542	542
Deferred tax assets	25,702	20,796
Other long-term receivables	948	992
Total non-current assets	205,872	192,824
Inventories	166,833	162,514
Trade and other receivables	71,352	62,725
Tax receivables	7,647	7,051
Prepaid expenses	36,283	37,032
Derivative financial assets	72,338	85,098
Cash and cash equivalents	185,469	176,384
Total current assets	539,922	530,804
Total assets	745,794	723,628
Equity		
Share capital	79,850	79,788
Treasury shares	(90)	(621)
Share premium	632,085	654,381
Reserves	(167,017)	(178,675)
Retained earnings	(333,104)	(401,416)
Total equity	211,724	153,457
Liabilities		
Interest-bearing loans	199,713	343,437
Other long-term liabilities	3,691	839
Net defined benefit liability	3,859	3,652
Deferred income	296	324
Deferred tax liabilities	2,869	3,860
Total non-current liabilities	210,428	352,112
Current portion of interest-bearing loans	66,836	2,963
Trade and other payables	95,292	82,345
Dividend payables	11,167	-
Deferred Income	421	767
Tax payables	17,032	15,324
Accrued expenses	122,208	99,072
Derivative financial liabilities	5,458	3,785
Provisions	5,228	13,803
Total current liabilities	323,642	218,059
Total liabilities	534,070	570,171
Total equity and liabilities	745,794	723,628



Condensed consolidated statements of changes in equity

€'000	Share capital	Treasury shares	Share premium	Reserves	Retained earnings	Total equity
At 1 January 2015	71,527	(41,235)	15,324	(150,630)	245,931	140,917
Net profit	-	-	-	-	34,171	34,171
Other comprehensive income, net of tax	-	-	-	(24,870)	(250)	(25,120)
Total comprehensive income for the period	-	-	-	(24,870)	33,921	9,051
Share incentive plan	-	-	-	3,489	-	3,489
Change in common shares, treasury shares and share premium associated with change in parent company	8,261	40,614	639,057	(6,664)	(681,268)	-
Total contributions and distributions	8,261	40,614	639,057	(3,175)	(681,268)	3,489
At 31 December 2015	79,788	(621)	654,381	(178,675)	(401,416)	153,457
At 1 January 2016	79,788	(621)	654,381	(178,675)	(401,416)	153,457
Net profit	-	-	-	-	66,714	66,714
Other comprehensive income, net of tax	-	-	-	9,350	(316)	9,034
Total comprehensive income for the period	-	-	-	9,350	66,398	75,748
Issue of ordinary shares in relation to share incentive plan	62	-	-	(862)	800	-
Treasury shares used in relation to share incentive plan	-	541	-	(1,655)	1,114	-
Purchase of treasury shares	-	(10)	-	-	-	(10)
Share incentive plan	-	-	-	4,825	-	4,825
Dividends	-	-	(22,296)	-	-	(22,296)
Total contributions and distributions	62	531	(22,296)	2,308	1,914	(17,481)
At 31 December 2016	79,850	(90)	632,085	(167,017)	(333,104)	211,724



Condensed consolidated statements of cash flows

€'000	3 months ended 31 December		12 months ended 31 December	
	2016	2015	2016	2015
Operating activities				
Net profit before income tax	37,347	24,711	100,530	67,287
Adjustments for:				
Depreciation of property, plant and equipment	4,662	4,704	18,260	19,319
Amortisation of intangible assets	446	829	2,883	3,990
Change in fair value of borrowings and derivatives financial instruments	719	4,789	3,580	20,716
Impairment	541	-	3,013	-
Deferred income	(125)	(896)	(482)	(1,700)
Share incentive plan	1,390	1,577	4,825	3,489
Unrealised exchange rate differences	(5,602)	(4,261)	(16,000)	(7,612)
Profit on disposal of property, plant and equipment, intangible assets	(67)	(819)	(847)	(885)
Financial income	(6,874)	(4,931)	(19,870)	(20,403)
Financial expenses	8,578	8,624	27,067	32,194
Operating profit before changes in working capital and provisions	41,015	34,327	122,959	116,395
(Increase)/Decrease in trade and other receivables, prepaid expenses and derivative financial assets	(3,593)	21,644	(9,076)	65,611
Decrease in inventories	4,918	14,212	16,363	8,162
Increase/(Decrease) in trade and other payables, accrued expenses and derivatives financial liabilities	37,324	4,908	38,487	(29,542)
Increase/(Decrease) in provisions	2,310	6,228	(3,185)	2,508
Cash generated from operations	81,974	81,319	165,548	163,134
Interest received	4,476	4,428	18,497	20,000
Interest and bank charges paid	(6,994)	(8,305)	(26,533)	(32,568)
Income taxes paid	(17,755)	(8,691)	(44,388)	(28,352)
Cash flow from operating activities	61,701	68,751	113,124	122,214
Investing activities				
Proceeds on sale of property, plant and equipment, intangible assets	209	2,038	1,305	2,343
Purchases of property, plant, equipment	(4,582)	(3,852)	(11,288)	(16,008)
Purchases of intangible assets	(247)	(457)	(1,877)	(1,797)
Cash flow used in investing activities	(4,620)	(2,271)	(11,860)	(15,462)
Financing activities				
Repayments of borrowings	-	(1,897)	(72,013)	(21,757)
Acquisition of own shares	(10)	-	(10)	-
Decrease of finance lease liabilities	-	(3)	(4)	(31)
Dividends paid	(11,130)	-	(11,130)	(3)
Cash flow used in financing activities	(11,140)	(1,900)	(83,157)	(21,791)
Change in cash and cash equivalents	45,941	64,580	18,107	84,961
Cash and cash equivalents at the beginning of the period net of bank overdrafts	144,774	112,388	176,384	95,515
Effect of exchange rate fluctuations on cash held	(5,350)	(584)	(9,126)	(4,092)
Cash and cash equivalents at the end of the period net of bank overdrafts	185,365	176,384	185,365	176,384



Notes to the condensed consolidated 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 financial statements of the Company as at and for the year ended 31 December 2016 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 financial statements for the twelve months period ended 31 December 2016 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 2015. The condensed consolidated financial statements were authorised for issue by the Directors on 15 February 2017.

Significant accounting policies, use of judgements and estimates

The accounting policies, significant judgements and key sources of estimation uncertainty applied by the Group in these 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 2015.

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 financial statements.

Note 3 • Analysis of operating profit and net profit

The non-recurring items in 2015 relate to pension and restructuring entries.

€'000	3 months ended 31 December		12 months ended 31 December	
	2016	2015	2016	2015
Analysis of operating profit:				
Adjusted operating profit	42,007	38,883	119,184	100,186
Non-recurring items	-	(6,312)	-	(9,547)
Operating profit	42,007	32,571	119,184	90,639
Analysis of net profit:				
Adjusted net profit	25,179	15,224	66,714	43,233
Non-recurring items	-	(6,312)	-	(9,547)
Non-recurring tax items	-	-	-	485
Net profit	25,179	8,912	66,714	34,171

Adjusted Earnings Per Share

€	3 months ended 31 December		12 months ended 31 December	
	2016	2015	2016	2015
*Adj. EPS:				
- basic	0.45	0.27	1.20	0.79
- diluted	0.44	0.27	1.18	0.79
Weighted avg. number of shares outstanding:				
- basic	55,741,062	55,608,563	55,691,352	54,868,150
- diluted	56,587,350	55,608,563	56,537,639	54,868,150
Total number of shares outstanding (excluding treasury shares)	55,740,805	55,608,563	55,740,805	55,608,563

*Adj EPS calculation is based on the adjusted net profit