



YOUR DREAMS – OUR INSPIRATION™

First Quarter 2014
Investor Presentation
7 May, 15.30 CET

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ORIFLAME
SWEDEN

Key Message

- Sales -2% in local currency and -14% in euro
 - Challenges of exceptional nature in main markets
 - Strong development in growth markets (around 30% of total sales)
 - Active consultants decline of 5% in Q1
 - Underlying sales Q2 to date -2% in local currency
 - Situation in Ukraine and Russia remains challenging
 - Strong currency headwind
- Adj. operating margin 7.0% (10.0%)
 - Currency impact: app. -450bps
- Challenging situation calls for further actions to drive sales, increase efficiency and reduce costs
- Proposed quarterly dividend: Q2 dividend payment of €0.25 per share following AGM in May, no Q3 dividend payment



Giordani Gold Invisible Touch Foundation – 134,000 units sold in the quarter

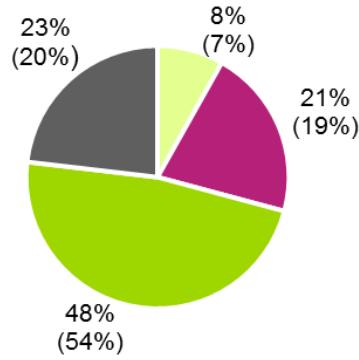
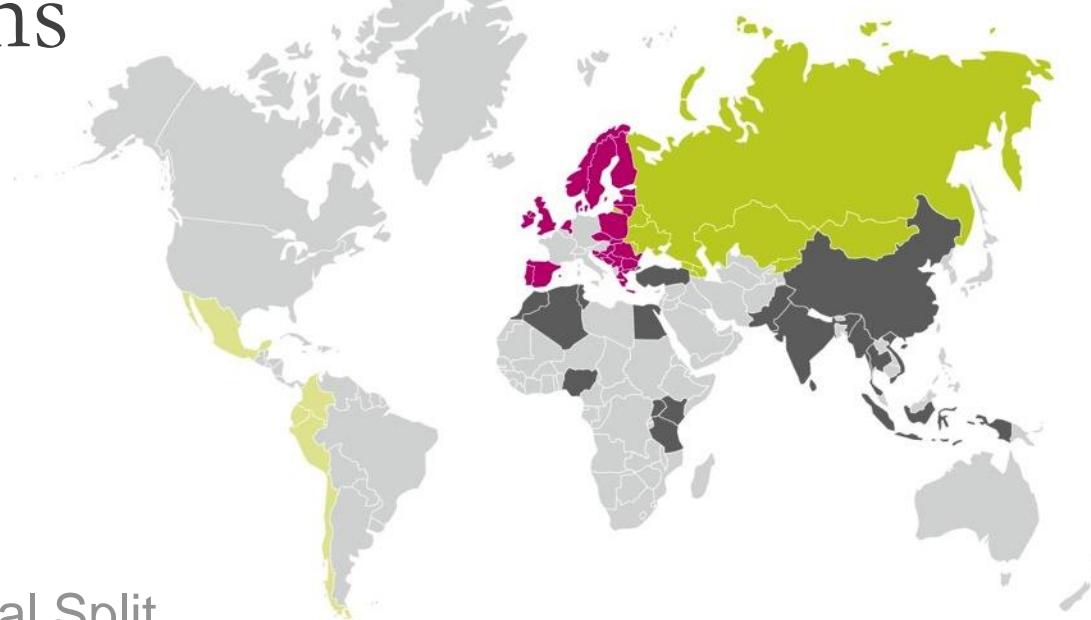
Operational Highlights

- Brand and innovation
 - Pre-launch of The One make-up brand during Stockholm and Moscow Fashion Weeks
 - Wellness Natural Balance Bars Chocolate and Strawberries launched
- Online
 - Increased utilization of online services
 - New online payment system launched
- Service
 - Maintained service levels with higher inventory days
 - Preparation for production start in Noginsk during the autumn
- Margin improvement initiatives progressing well and delivering benefits as planned

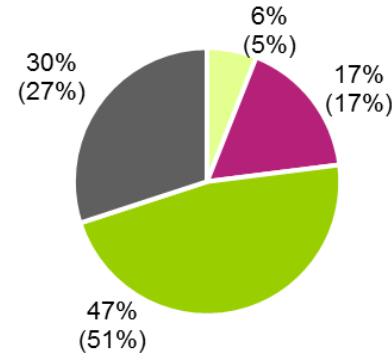


The ONE make-up brand

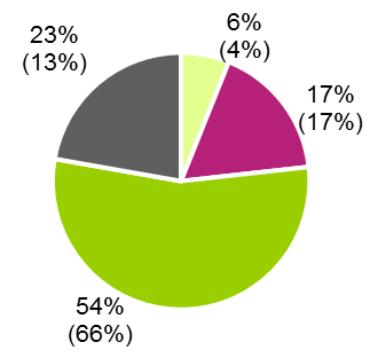
Regions



Sales

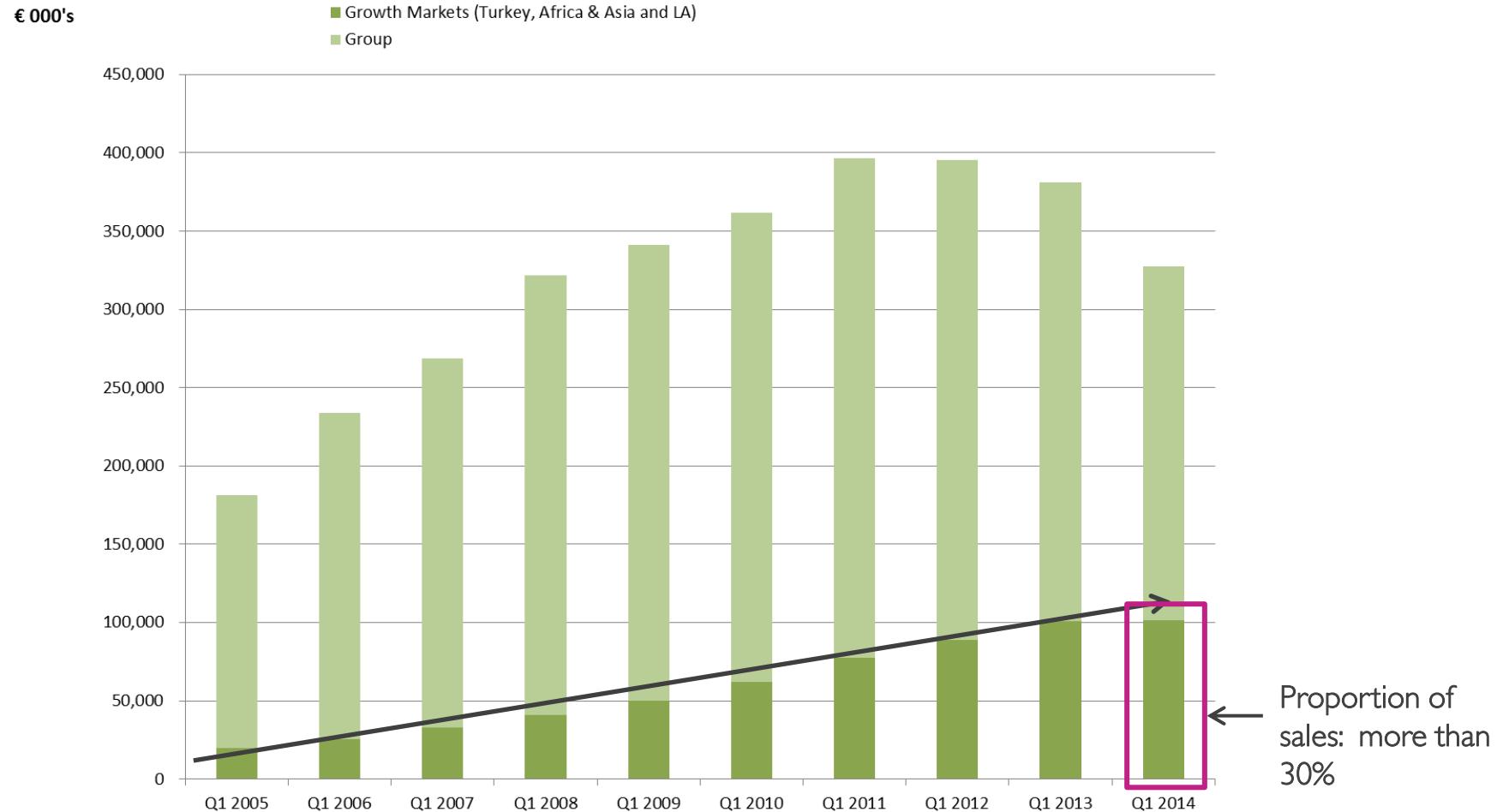


Active consultants



Operating profit

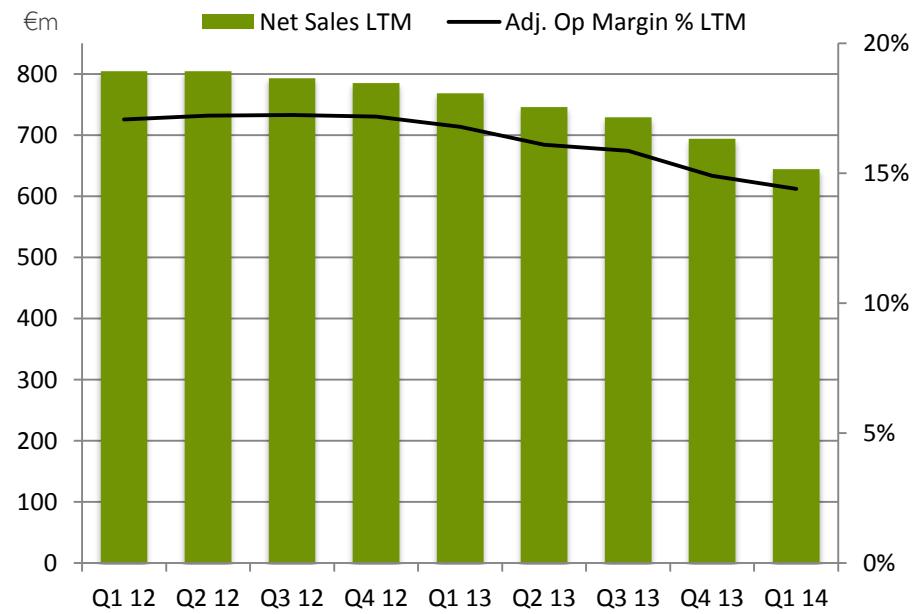
Key Growth Markets



CIS

- Sales force and productivity
 - Active consultants -14%
 - Lc productivity +3%
 - € productivity -12%
- Lc sales in Russia: -8%
 - Negative timing
- Exceptional situation in Ukraine
- Success Plan
 - Further communication and fine tuning
- Lower adj. operating margin
 - Negative currency effect
 - Negative operating leverage

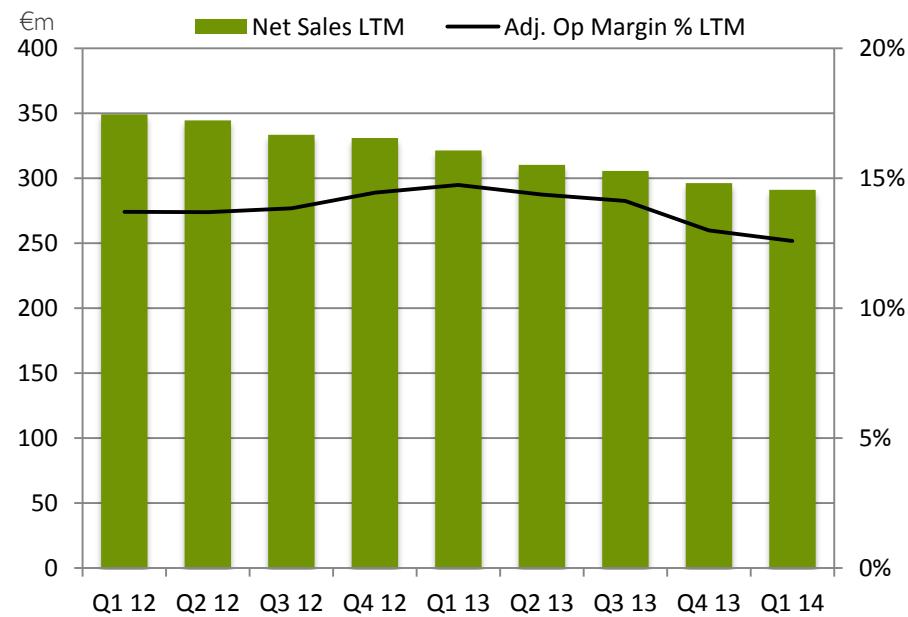
	Q1'14	Q1'13	Change
Sales, €m	154.9	204.7	(24%)
Lc sales	-	-	(11%)
Adj. operating profit, €m	22.2	32.9	(32%)
Adj. operating margin	14.3%	16.1%	-
Active consultants '000	1,637	1,893	(14%)



Europe

- Sales force and productivity
 - Active consultants: -7%
 - Lc productivity: +1%
 - € productivity: 0%
- Sub regional sales
 - Stabilizing in Southern Europe
 - Challenges persist in Central and Northern Europe
- Lower adj. operating margin
 - Discounts and higher sales and marketing expenses mitigated by administrative efficiencies

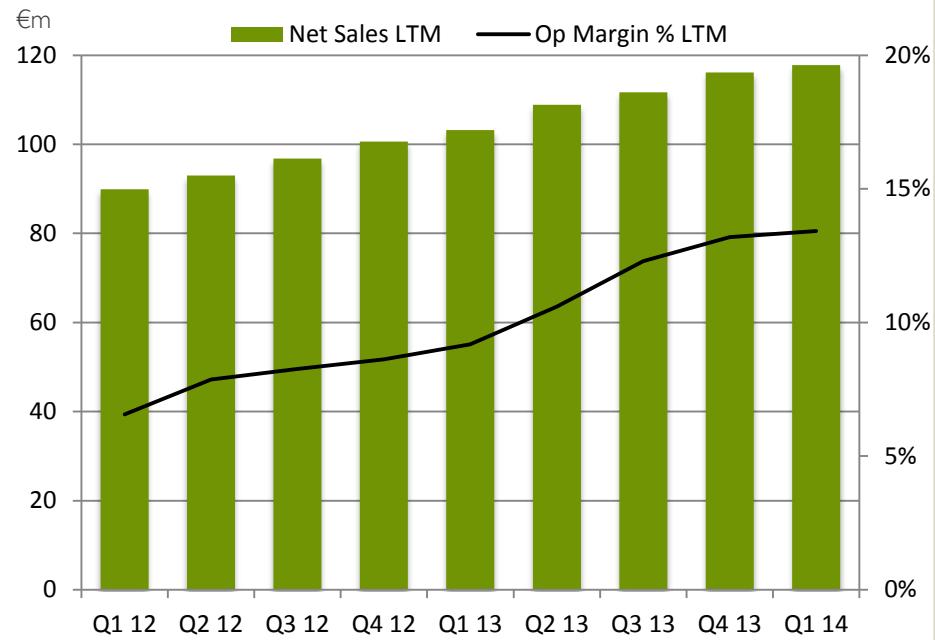
	Q1'14	Q1'13	Change
Sales, €m	68.3	73.6	(7%)
Lc sales	-	-	(6%)
Adj. operating profit, €m	6.8	8.7	(22%)
Adj. operating margin	10.0%	11.8%	-
Active consultants '000	580	625	(7%)



Latin America

- Sales force and productivity
 - Active consultants: +21%
 - Lc productivity: -2%
 - € productivity: -12%
- Strong sales growth in all markets, especially Mexico
- Operating margin improvement despite currency headwind
 - +140 bps

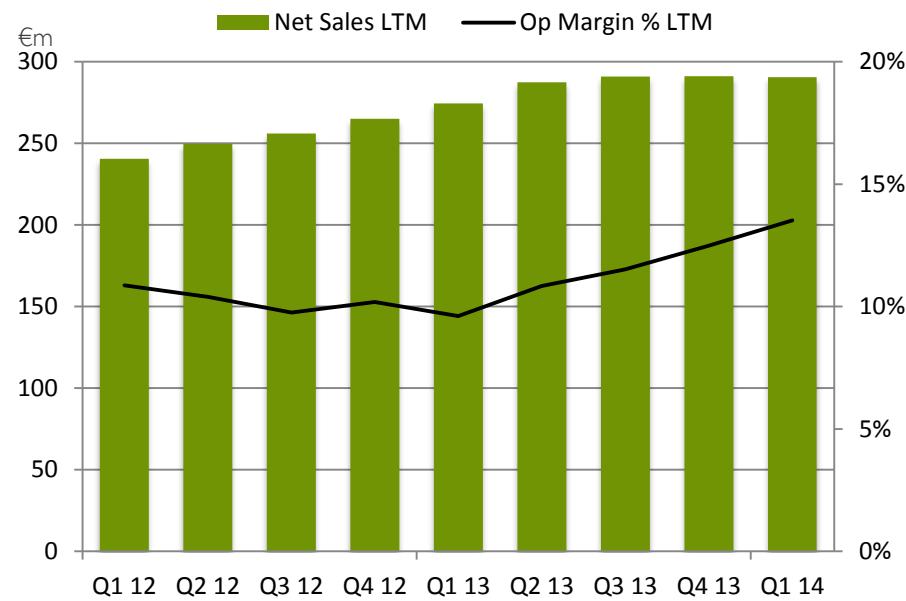
	Q1'14	Q1'13	Change
Sales, €m	26.5	24.8	7%
Lc sales	-	-	19%
Operating profit, €m	2.6	2.1	23%
Operating margin	9.8%	8.4%	-
Active consultants '000	213	176	21%



TA&A

- Sales force and productivity
 - Active consultants: +7%
 - Lc productivity: +9%
 - € productivity: -7%
- Strong sales growth in Indonesia and in the African markets
- Operating margin improvement
 - Positive leverage on higher sales partly offset by negative currency impact

	Q1'14	Q1'13	Change
Sales, €m	75.2	75.9	(1%)
Lc sales	-	-	16%
Operating profit, €m	9.2	6.2	47%
Operating margin	12.2%	8.2%	-
Active consultants '000	1,051	987	7%



Financials

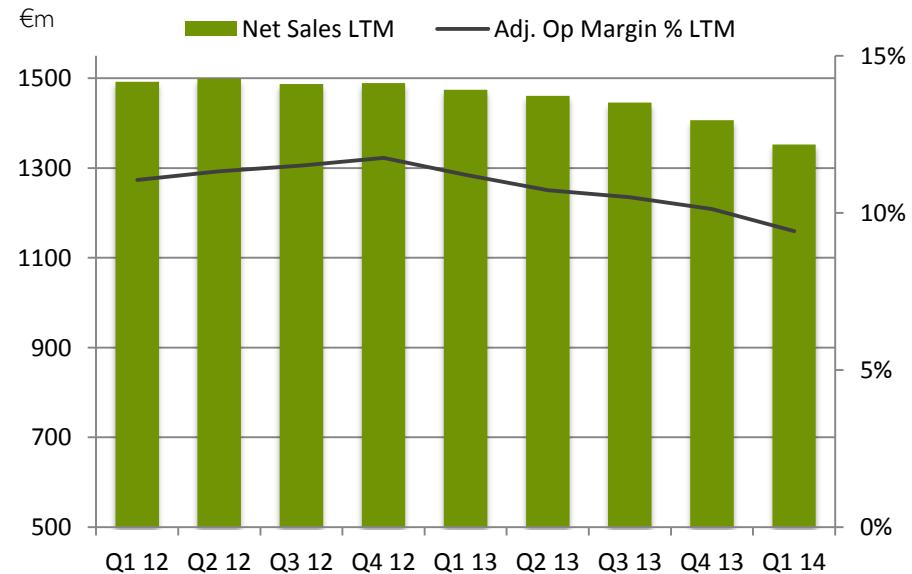


Power Woman – 93,000 units sold in the quarter

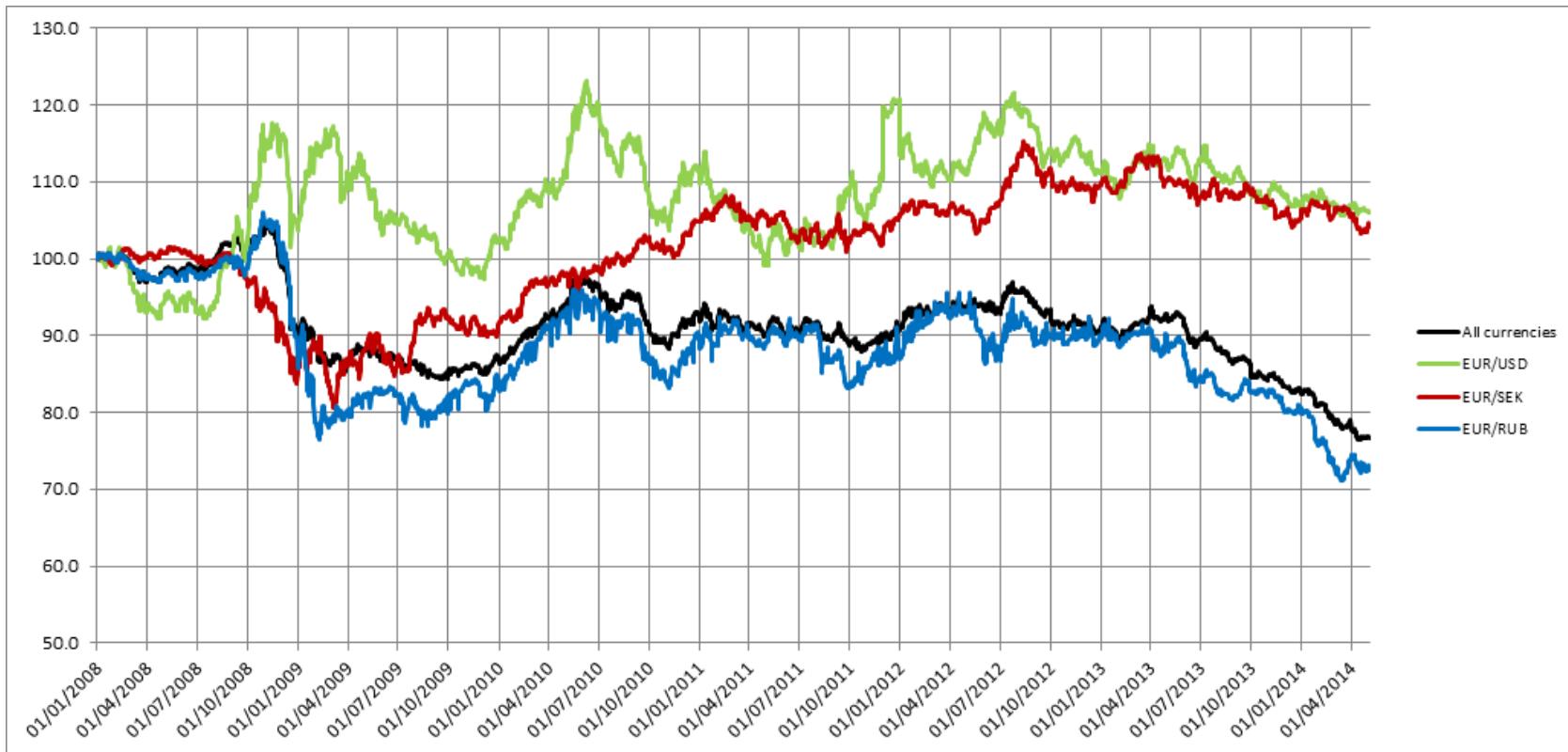
Income Statement Q1 2014

- Active consultants -5%
- Mix effect
 - Unit sales -6%
 - Price/mix +4%
- Gross margin 68.5% (69.6%)
- Adj. operating margin 7.0% (10.0%)
 - Excl. restructuring costs of €0.4m
- Adj. net profit of €12.0m (€28.0m)

	Q1'14	Q1'13	Change
Sales, €m	327.2	381.3	(14%)
Lc sales	-	-	(2%)
Adj. operating profit, €m	23.1	38.0	(39%)
Adj. operating margin	7.0%	10.0%	-
Active consultants '000	3,481	3,681	(5%)



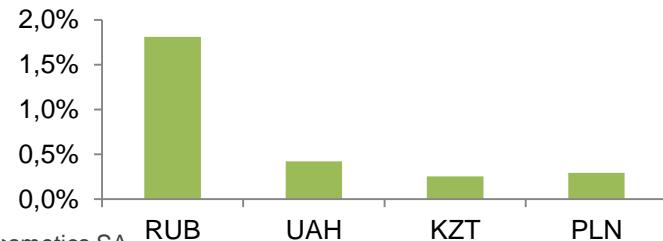
Group Currency Impact 2008-2014



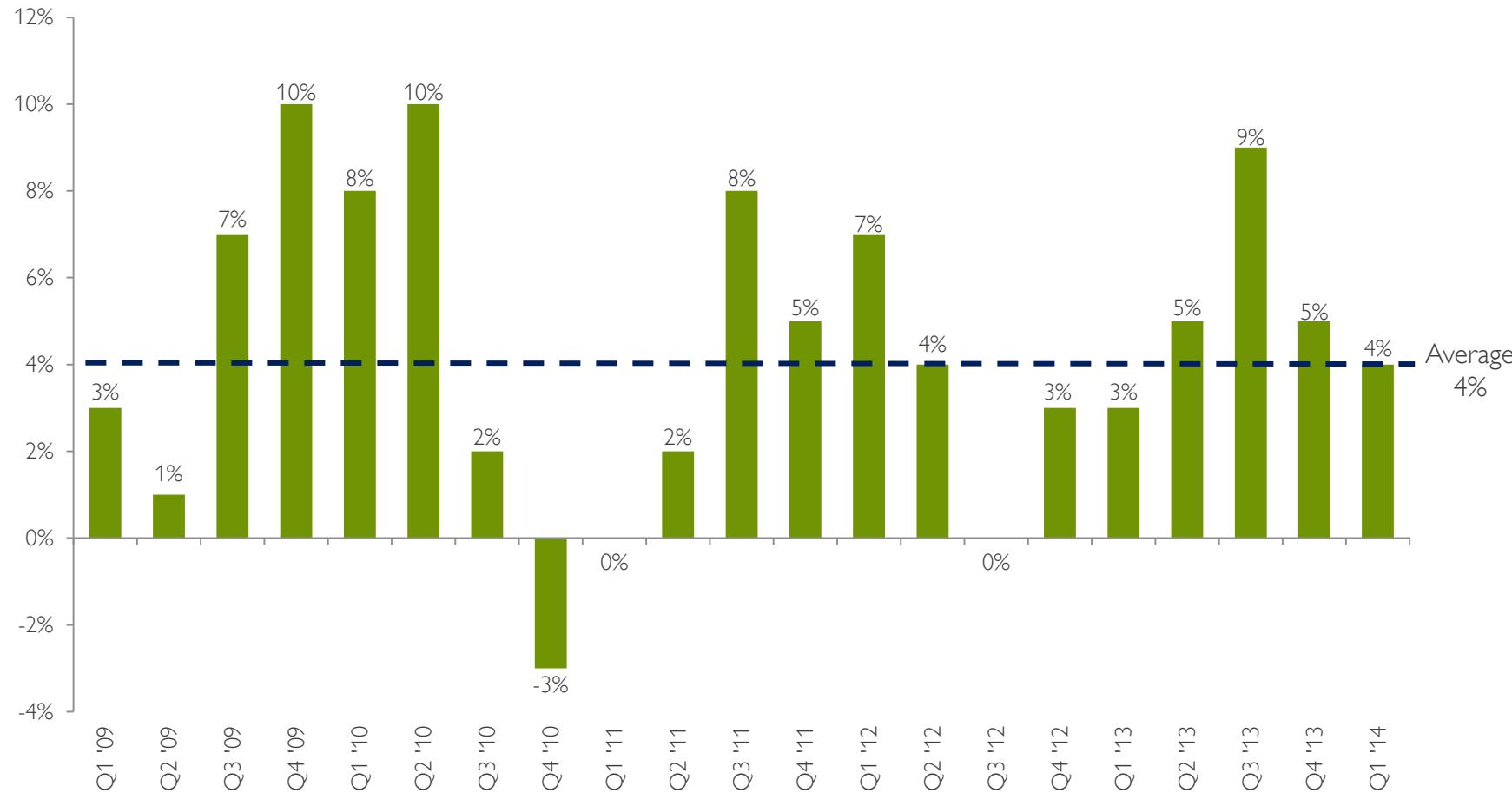
Sensitivity analysis showing the effect on group operating profit from a 1% change of the EUR against the currencies of the four of the largest sales markets

- Russia RUB
- Ukraine UAH
- Kazakhstan KZT
- Poland PLN

Impact Group Adj. operating Profit



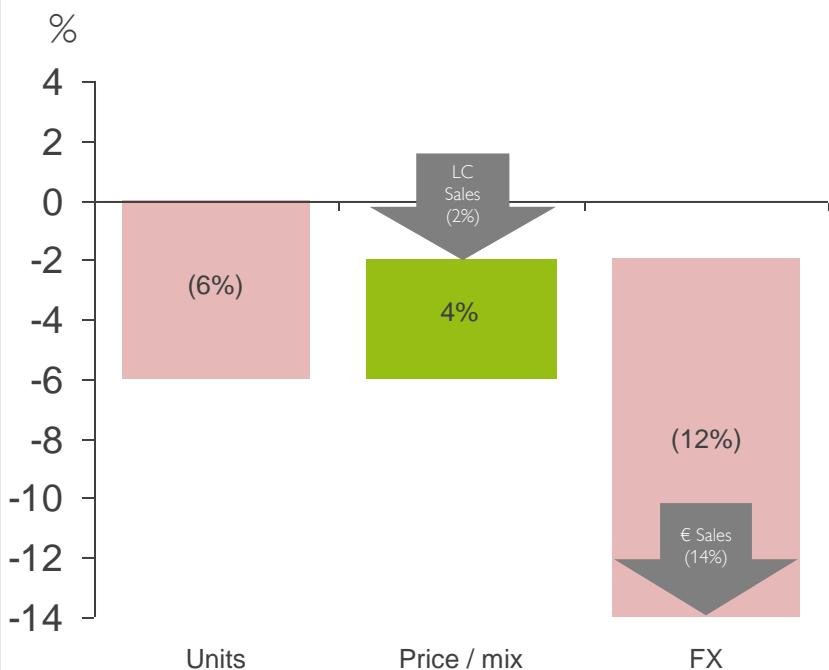
Price/Mix Impact on Sales



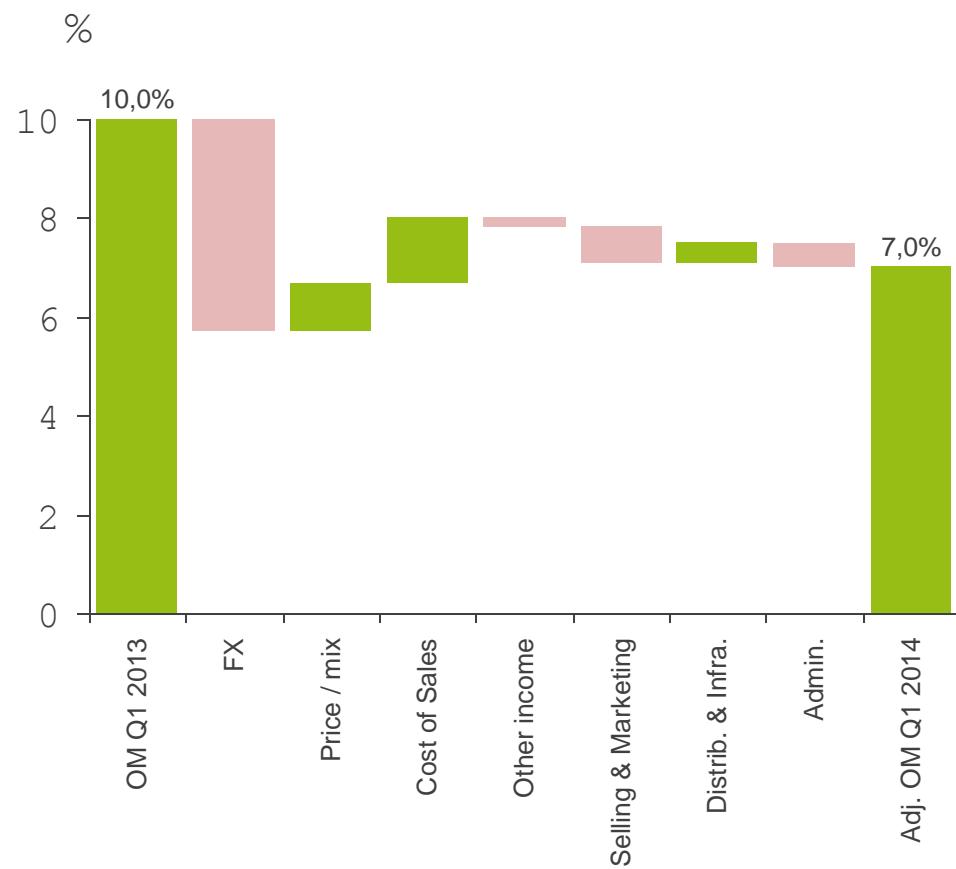
Note: Q2 '13 – Q1 '14 include impact from new Success Plan in CIS

Q1 Sales and Op. Margin Analysis

Sales vs PY



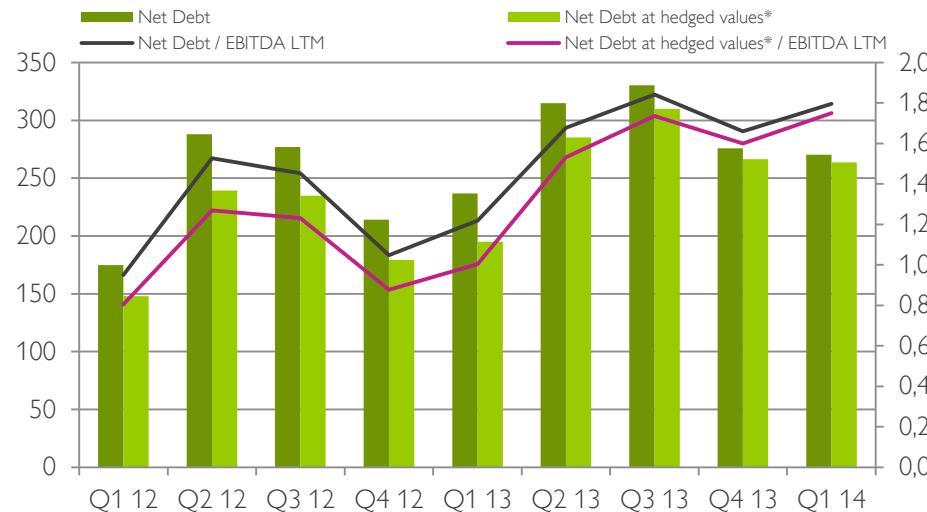
Adj. OP Margin vs. PY



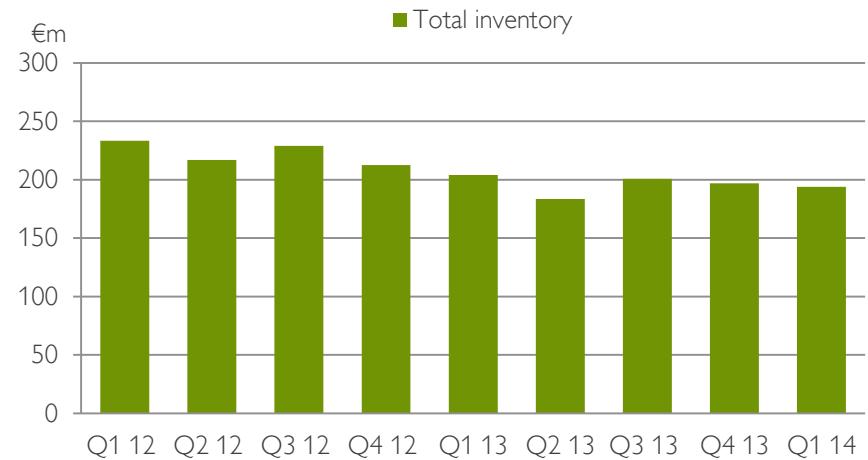
Based on Oriflame estimates

Financial Position

- Net debt: €270.4m (€ 236.9m)
- Net debt at hedged values: €257.3m (€195.0m)
- Net debt / EBITDA: 1.8 (1.2)
- Net debt at hedged values / EBITDA: 1.7 (1.0)
- Interest cover (YTD): 5.6 (9.1)
- Interest cover (LTM): 6.8 (9.5)



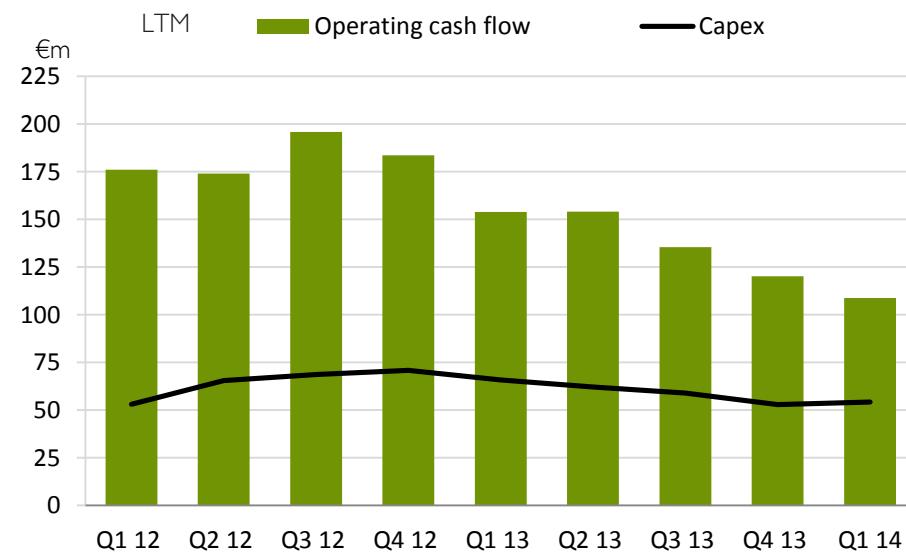
* Adjusted for fair value movements of the USD private placement notes



Cash Flow Statement

- Q1 operating cash flow €16.9m (€28.4m)
 - EBITDA decrease of €15.8m
 - Impact from changes in working capital and provisions €+10.9m
 - Inventories €-11.3m
 - Receivables, prepaid exp. €+17.1m
 - Payables, accrued exp., provisions €+5.0m
 - Others €+0.1m
 - Realized Plex €-4.1m
 - Interest, charges, taxes €-2.6m

	Q1'14	Q1'13
EBITDA, €m	29.4	45.2
Decrease/ (increase) in Working cap. and provisions, €m	3.9	(6.9)
Operating CF, €m	16.9	28.4
CF Investing Activities, €m	(8.6)	(7.3)



Conclusion and Going Forward



WTA *Strong is Beautiful* range, a world-first collaboration between Oriflame and the Women's Tennis Association

Conclusion

- Challenging conditions in main markets
 - Geopolitical situation
 - Currencies
- Strong development in growth markets
- Intense focus on restoring growth and mitigating negative impacts
 - Price increases
 - Improved offering
 - Efficiency measures
 - Cost reductions



Ecollagen Foaming Gel Wash and Skin Perfecting Toner
- additions to the Ecollagen range

Confidence in Chosen Strategy

- Recent events of exceptional nature do not impact strategic direction while prompting further initiatives to drive efficiency and reduce costs
 - Securing income opportunity and leadership development leading to sales force growth
 - Brand building
 - Strong product programmes
 - Further develop online channel
 - Operational efficiency
 - Geographic expansion



Natural Balance Bars Chocolate and Strawberries - 186,000 units sold in the quarter



Cautionary Statement

Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially affected by other factors like for example, the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialization and supply disturbances.