

Beautyge Denmark A/S  
Sundkrogsgade 21  
2100 København Ø

Telephone +45 70 22 22 98  
[www.revlonprofessionalbrands.dk](http://www.revlonprofessionalbrands.dk)

Beautyge Denmark A/S

Annual report 2015

The annual report was presented and adopted at the  
Company's annual general meeting

on July 27 2016

  
chairman

CVR no.19 55 69 80

## **Contents**

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Accounting policies	7
Income statement	10
Balance sheet	11
Notes	13

## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Beautyge Denmark A/S for the financial year 1 January – 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

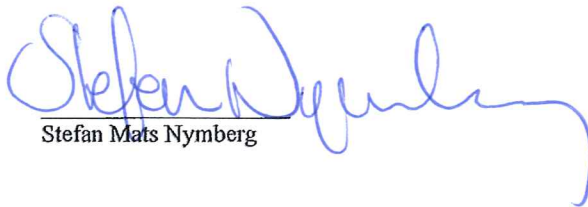
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report should be approved at the annual general meeting.


Copenhagen, 28 June 2016

Executive Board:

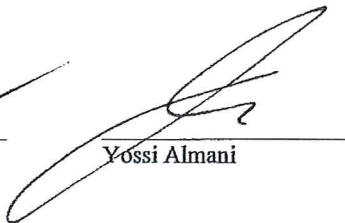


Stefan Mats Nymberg

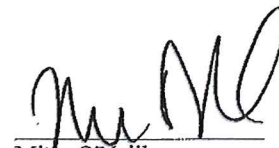
Board of Directors:



Michael Thomas  
Sheehan  
Chairman



Yossi Almani



Mitra O'Neill



## **Independent auditor's report**

**To the shareholders of Beautyge Denmark A/S**

### **Independent auditor's report on the financial statements**

We have audited the financial statements of Beautyge Denmark A/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### ***Management's responsibility for the financial statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

### ***Opinion***

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's activities for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

### **Report on other legal and regulatory requirements**

#### ***Other matters***

The annual report for 2015 has not been reported timely. The omission is in conflict with the Danish Financial Statements Act and the Management may be held liable here for this. In relation to the audit opinion, we have issued an emphasis of matter communicating this.



### **Statement on the Management's review**

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 28 June 2016

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Lau Bent Baun  
State Authorised  
Public Accountant

## **Management's review**

### **Company details**

Beautyge Denmark A/S  
Sundkrogsgade 21  
2100 København Ø

Telephone:	+45 70 22 22 98
Website:	<a href="http://www.revlonprofessionalbrands.dk">www.revlonprofessionalbrands.dk</a>
E-mail:	<a href="mailto:office.dk@revlon.com">office.dk@revlon.com</a>
CVR no.:	19 55 69 80
Established:	1 September 1996
Registered office:	Copenhagen
Financial year:	1 January – 31 December

### **Executive Board**

Stefan Mats Nymberg

### **Board of Directors**

Michael Thomas Sheehan (chairman)  
Yossi Almani  
Mitra O'Neill

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø  
Denmark

### **Annual general meeting**

The annual general meeting will be held on 28 June 2016.

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's principal activities comprise the sale of hair care products to the business-to-business market in Denmark, including training in the use of the products.

#### **Development in activities and financial position**

The loss for the year amounts to DKK 2,087 thousand (2014: loss of DKK 1,599 thousand). The loss for the year is not satisfactory.

The parent company has issued a letter of support providing assurance that the necessary funds will be provided to the Company throughout 2016, and consequently, the financial statements are presented under the going concern assumption.

#### **Significant events after the balance sheet date**

No significant events have occurred after the balance sheet date up to today that will affect the Company's financial position at 31 December 2015.

## **Financial statements 1 January – 31 December**

### **Accounting policies**

The annual report of Beautyge Denmark A/S for 2015 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

### **Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### **Income statement**

#### **Gross profit**

Gross profit comprises revenue, cost of sales and other external costs.

#### **Revenue**

Income from the sale of goods, comprising the sale of hair care products to business-to-business markets and training in the use of the products, is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place, the income can be reliably measured, and payment is expected to be received.

#### **Other external costs**

Other external costs comprise costs in relation to distribution, sales, marketing, administration, rent, loss on debtors, operating leases, etc.

#### **Staff costs**

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.



## **Financial statements 1 January – 31 December**

### **Accounting policies**

#### **Financial income and expenses**

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies, etc.

#### **Tax on profit/loss for the year**

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

### **Balance sheet**

#### **Investments**

Deposits are recognised at amortised cost.

#### **Inventories**

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Cost comprises the purchase price plus delivery costs. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

#### **Receivables**

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

#### **Prepayments**

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

## **Financial statements 1 January – 31 December**

### **Accounting policies**

#### **Equity**

##### ***Dividends***

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

##### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### **Liabilities other than provisions**

Other liabilities are measured at net realisable value.

## **Financial statements 1 January – 31 December**

### **Income statement**

DKK	Note	2015	2014
<b>Gross profit</b>		3,912,483	6,306,774
Staff costs	1	-5,736,677	-8,279,292
<b>Operating loss</b>		-1,824,194	-1,972,518
Financial income		49,991	453,071
Financial expenses	2	-312,355	-79,464
<b>Loss before tax</b>		-2,086,558	-1,598,911
Tax on loss for the year		0	0
<b>Loss for the year</b>		<u>-2,086,558</u>	<u>-1,598,911</u>
 <b>Proposed distribution of loss</b>			
Retained earnings		-2,086,558	-1,598,911
		<u>-2,086,558</u>	<u>-1,598,911</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2015	2014
<b>ASSETS</b>			
Investments			
Deposits		26,605	199,594
		26,605	199,594
<b>Total non-current assets</b>		26,605	199,594
<b>Current assets</b>			
Inventories			
Finished goods and goods for resale		57,745	0
		57,745	0
<b>Receivables</b>			
Trade receivables		2,846,347	2,497,020
Receivables from group entities		26,605	907,533
Prepayments		10,000	98,765
		2,882,952	3,503,318
<b>Cash at bank and in hand</b>		1,578,609	1,580,418
<b>Total current assets</b>		4,519,306	5,083,736
<b>TOTAL ASSETS</b>		4,545,911	5,283,330

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2015	2014
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	3	584,000	584,000
Retained earnings		-3,420,049	-1,333,491
<b>Total equity</b>		<b>-2,836,049</b>	<b>-749,491</b>
<b>Current liabilities other than provisions</b>			
Trade payables		578,234	468,112
Payables to group entities		5,255,007	3,502,216
Other payables		1,548,719	2,062,493
		<b>7,381,960</b>	<b>6,032,821</b>
<b>Total liabilities other than provisions</b>		<b>7,381,960</b>	<b>6,032,821</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,545,911</b>	<b>5,283,330</b>
<b>Contractual obligations, contingencies, etc.</b>	4		
<b>Related parties</b>	5		

## Financial statements 1 January – 31 December

### Notes

	DKK	2015	2014		
1	<b>Staff costs</b>				
	Wages and salaries	5,316,316	7,826,399		
	Pensions	396,421	372,118		
	Other social security costs	23,940	80,775		
		<u>5,736,677</u>	<u>8,279,292</u>		
2	<b>Other financial expenses</b>				
	Interest expense to group entities	29,538	63719		
	Foreign exchange losses	177,857	0		
	Other interest expense	104,960	15745		
		<u>312,355</u>	<u>79,464</u>		
3	<b>Equity</b>				
	DKK	Share capital	Retained earnings	Proposed dividend	Total
	Balance at 1 January 2015	584,000	-1,333,491	0	-749,491
	Transferred; see the distribution of loss	0	-2,086,558	0	-2,086,558
	Balance at 31 December 2015	584,000	-3,420,049	0	-2,836,049

The changes in the share capital for the past five years can be specified as follows:

DKK	2015	2014	2013	2012	2011
Balance at 1 January	584,000	584,000	550,000	500,000	500,000
Cash capital increase	0	0	34,000	50,000	0
	<u>584,000</u>	<u>584,000</u>	<u>584,000</u>	<u>550,000</u>	<u>500,000</u>

The share capital consists of:

DKK	2015	2014
A shares, 584 shares of nom. DKK 1,000 each	584,000	584,000
	<u>584,000</u>	<u>584,000</u>

## **Financial statements 1 January – 31 December**

### **Notes**

#### **4 Contractual obligations, contingencies, etc.**

##### **Lease obligations**

The Company has entered into operating leases regarding cars and parking spaces falling due within 44 months and total lease payments of DKK 1,190 thousand at 31 December 2015 (2014: DKK 817 thousand).

#### **5 Related party transactions**

Beautyge Denmark A/S' related parties comprise the following:

##### **Parties exercising control**

The Company is a wholly-owned subsidiary of Beautyge S.L., Barcelona, Spain.

The ultimate holding company is Revlon Inc., incorporated in the United States of America.

The results of the Company are consolidated in those of Revlon Inc.

The consolidated accounts are available to the public and may be obtained from Revlon Inc. One New York Plaza, New York 10004, USA.

##### **Other related parties that the Company has had transactions with**

Other companies in the Beautyge Group.