
Nu Skin Scandinavia A/S

Havneholmen 25, DK-1561 København V

Annual Report for 1 January - 31 December 2015

CVR No 21 48 09 08

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
1 /6 2016

Lisa Lauridsen
Chairman



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Management's Statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Nu Skin Scandinavia A/S for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 1 June 2016

Executive Board

Johnny Eigil Sørensen

Supervisory Boards

Michael Truman Hunt
Chairman

Ritch Norman Wood

Johnny Eigil Sørensen

Mikael Linder

Independent Auditor's Report on the Financial Statements

To the Shareholder of Nu Skin Scandinavia A/S

Report on the Financial Statements

We have audited the Financial Statements of Nu Skin Scandinavia A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. 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 as 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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, 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 audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 1 June 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mark P. Beer

State Authorised Public Accountant

Company Information

The Company

Nu Skin Scandinavia A/S
Havneholmen 25
DK-1561 København V

Telephone: 39 54 80 00

CVR No: 21 48 09 08

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

Supervisory Boards

Michael Truman Hunt, Chairman
Ritch Norman Wood
Johnny Eigil Sørensen
Mikael Linder

Executive Board

Johnny Eigil Sørensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Lawyers

Bruun & Hjejle
Nørregade 21
1165 København K

Consolidated Financial Statements

The Company is included in the Group Annual Report of Nu Skin Enterprises Inc.

The Group Annual Report of Nu Skin Enterprises Inc., may be obtained at the following address: Nu Skin Plaza, 75 West Center Street, Provo, UT 84601, USA.

Management's Review

Main activity

The company's main activity is as in previous years sales of products for personal care and nutrition, directly to end users as well as to independent distributors in the Scandinavian countries.

Development in the year

The income statement of the Company for 2015 shows a profit of DKK 4,958,503, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 11,830,870.

The result, activity and financial development of the company were satisfactory and met expectations.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
Revenue		35.483.444	34.751.566
Other external expenses		-12.066.279	-11.202.540
Gross profit/loss		23.417.165	23.549.026
Staff expenses	1	-18.929.619	-19.642.638
Depreciation, amortisation and impairment of property, plant and equipment	2	-688.611	-714.001
Profit/loss before financial income and expenses		3.798.935	3.192.387
Income from investments in subsidiary		1.611.758	1.704.920
Financial income		605.117	5.689
Financial expenses		-15.598	-329.012
Profit/loss before tax		6.000.212	4.573.984
Tax on profit/loss for the year	3	-1.041.709	-704.776
Net profit/loss for the year		4.958.503	3.869.208

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	5.500.000	0
Reserve for net revaluation under the equity method	1.611.758	1.688.919
Retained earnings	-2.153.255	2.180.289
	4.958.503	3.869.208

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Other fixtures and fittings, tools and equipment		570.055	740.261
Leasehold improvements		210.098	379.915
Tangible assets	4	780.153	1.120.176
Investments in subsidiaries	5	5.885.071	4.646.654
Other receivables	6	1.262.769	1.127.700
Fixed asset investments		7.147.840	5.774.354
Fixed assets		7.927.993	6.894.530
Receivables from group enterprises		5.377.636	4.931.239
Other receivables		1.057	29.966
Deferred tax asset		133.418	104.168
Corporation tax		0	91.612
Prepayments		1.655.196	359.264
Receivables		7.167.307	5.516.249
Cash at bank and in hand		14.330.137	6.969.845
Currents assets		21.497.444	12.486.094
Assets		29.425.437	19.380.624

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Share capital		500.000	500.000
Reserve for net revaluation under the equity method		5.749.726	4.511.309
Retained earnings		81.144	2.234.399
Proposed dividend for the year		<u>5.500.000</u>	<u>0</u>
Equity	7	<u>11.830.870</u>	<u>7.245.708</u>
Trade payables		2.010.983	1.089.795
Corporation tax		272.185	0
Other payables		<u>15.311.399</u>	<u>11.045.121</u>
Short term debt		<u>17.594.567</u>	<u>12.134.916</u>
Debt		<u>17.594.567</u>	<u>12.134.916</u>
Liabilities and equity		<u>29.425.437</u>	<u>19.380.624</u>
Contingent assets, liabilities and other financial obligations	8		

Notes to the Financial Statements

	2015	2014
	DKK	DKK
1 Staff expenses		
Wages and salaries	17.650.447	18.361.811
Pensions	1.118.639	1.163.698
Other social security expenses	160.533	117.129
	18.929.619	19.642.638
Average number of employees	52	57
2 Depreciation, amortisation and impairment of property, plant and equipment		
Depreciation of property, plant and equipment	688.611	714.001
	688.611	714.001
Which is specified as follows:		
Other fixtures and fittings, tools and equipment	518.794	544.184
Leasehold improvements	169.817	169.817
	688.611	714.001
3 Tax on profit/loss for the year		
Current tax for the year	1.083.327	756.732
Deferred tax for the year	-29.250	-30.992
Adjustment of tax concerning previous years	-12.368	-20.964
	1.041.709	704.776

Notes to the Financial Statements

4 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	3.417.332	1.018.900
Additions for the year	348.589	0
Disposals for the year	-376.027	0
Cost at 31 December	<u>3.389.894</u>	<u>1.018.900</u>
Impairment losses and depreciation at 1 January	2.677.071	638.985
Depreciation for the year	518.795	169.817
Impairment and depreciation of sold assets for the year	-376.027	0
Impairment losses and depreciation at 31 December	<u>2.819.839</u>	<u>808.802</u>
Carrying amount at 31 December	<u>570.055</u>	<u>210.098</u>
Depreciated over	<u>3-5 years</u>	<u>6 years</u>

Notes to the Financial Statements

	2015 DKK	2014 DKK
5 Investments in subsidiaries		
Cost at 1 January	135.345	135.345
Cost at 31 December	135.345	135.345
Revaluations at 1 January	4.511.309	3.188.011
Exchange adjustment	-373.341	-365.621
Net profit/loss for the year	1.611.758	1.688.919
Revaluations at 31 December	5.749.726	4.511.309
Carrying amount at 31 December	5.885.071	4.646.654

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Nu Skin Norway AS	Oslo, Norway	TNOK 150	100%	7.582.876	1.455.281

6 Other fixed asset investments

	Other receiv- ables DKK
Cost at 1 January	1.127.700
Additions for the year	135.069
Cost at 31 December	1.262.769
Carrying amount at 31 December	1.262.769

Notes to the Financial Statements

7 Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	500.000	4.511.309	2.234.399	0	7.245.708
Exchange adjustments relating to separate foreign legal entities	0	-373.341	0	0	-373.341
Net profit/loss for the year	0	1.611.758	-2.153.255	5.500.000	4.958.503
Equity at 31 December	500.000	5.749.726	81.144	5.500.000	11.830.870

The share capital consists of 500 shares of a nominal value of DKK 1,000. No shares carry any special rights.

8 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

Lease obligations under operating leases. Total future lease payments:

	2015	2014
	DKK	DKK
Within 1 year	2.515.484	2.565.686
Between 1 and 5 years	1.874.283	4.304.015
	4.389.767	6.869.701

Accounting Policies

Basis of Preparation

The Annual Report of Nu Skin Scandinavia A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Accounting Policies

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income Statement

Revenue

Revenue is recognised in the income statement when the sale is considered effected.

Other external expenses

Other external expenses comprise expenses for premises, sales and office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment, including gain and losses on the sale of property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Accounting Policies

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	6 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The items "Investment in subsidiary" in the balance sheet include the proportionate ownership share of the net asset value of the enterprise calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums and leasing etc.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Accounting Policies

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.