L'Oréal Danmark A/S

Havneholmen 25, 1561 København V

CVR no. 70 71 02 18

Annual report 2015

Approved at the annual general meeting of shareholders on 30 May 2016

Chairman:

Contents

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 L'Oréal Danmark 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 Company's financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Copenhagen, 30 May 2016
Executive Board:

Paul Bernard Heeringa	Mark Jeremy Prestwich

Board of Directors:

Rudolf Jochen Zaumseil Chairman	Laurent Francois Marcel Schmitt	Mark Jeremy Prestwich

Independent auditors' report

To the shareholders of L'Oréal Danmark A/S

Independent auditors' report on the financial statements

We have audited the financial statements of L'Oréal Danmark A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 regulations. 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 auditors' 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 auditors consider 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 financial position at 31 December 2015 and of the results of its operations and cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other 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, 30 May 2016
DELOITTE
Statsautoriseret Revisionspartnerselskab
CVR No. 33 96 35 56

Kim Gerner
State Authorised Public Accountant

Jan Larsen
state authorised public accountant

Management's review

Company details

Name	L'Oréal Danmark A/S
Address, Postal code, City	Havneholmen 25, 1561 København V
CVR No.	70 71 02 18
Established	15 November 1983
Registered office	København
Financial year	1 January - 31 December
Website	www.loreal.com
Board of Directors	Rudolf Jochen Zaumseil, Chairman Laurent Francois Marcel Schmitt Mark Jeremy Prestwich
Executive Board	Paul Bernard Heeringa Mark Jeremy Prestwich
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6, DK-0900 København C
Bankers	Danske Bank Holmens Kanal 2-12, DK-1092 København K
Lawyer	Bech-Bruun Langelinie Alle 35, DK-2100 København Ø

Management's review

Financial highlights

DKK'000	2015	2014	2013	2012	2011
Key figures					
Revenue	1,384,219	1,350,302	1,326,511	1,129,694	1,066,838
Gross margin	394,661	379,790	355,155	293,360	288,569
Operating profit	121,726	140,879	115,013	89,402	89,660
Net financials	-488	-1,258	-619	-873	323
Profit/loss for the year	**93,192**	**105,414**	**84,472**	**65,741**	**66,834**
Total assets	555,431	450,738	406,463	415,334	329,633
Equity	**134,471**	**146,803**	**126,844**	**109,539**	**110,664**
Cash flows from operating activities	159,284	50,833	128,267	67,429	90,195
Net cash flows from investing activities	-53,871	-1,164	-17,553	-25,518	-19,836
Cash flows from financing activities	-105,414	-84,472	-79,001	-66,921	-64,793
Financial ratios					
Gross margin	28.5%	28.1%	26.8%	26.0%	27.0%
Solvency ratio	24.2%	32.6%	31.2%	26.4%	33.6%
Return on equity	66.3%	77.0%	71.5%	59.7%	61.0%
Net margin	6.6%	7.8%	6.4%	5.8%	6.3%
Average number of employees	**413**	**358**	**356**	**355**	**336**

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Operating review

The Company's business review

The main activity of the Company consists of sale of cosmetics, perfumes and hair care. Furthermore, the Company manages stock activites for affiliated companies in Norway, Sweden and Finland.

Significant events during the financial year has been the launch and roll-out of the Urban Decay, Decleor and Carita. Growth has primarily been driven by skincare and styling, but also at good year for La Roche Posay.

Financial review

In 2015, the company's revenue came in at DKK 1,384,219 thousand against DKK 1,350,302 thousand last year. The income statement for 2015 shows a profit of DKK 93,192 thousand against a profit of DKK 105,414 thousand last year, and the balance sheet at 31 December 2015 shows equity of DKK 134,471 thousand.
The Company has known a new year of good financial development with a turnover growth at 3,9%, but a drop in the net result at -13,4% due to cost in relation to the new Nordic Shared Service Center in Copenhagen.

Knowledge resources

The Company always tries to optimise knowledge resources and recruit necessary qualifications. With help from local knowledge and knowledge within the Group, the Company constantly tries to stay updated and focus on the key areas like advertising, knowledge of products and the general development within the market.

Special risks

The Company's Management does not foresee any material financial risk the coming year. Foreign currency exposure has been covered with foreign exchange forward contracts.

The Company has made agreements regarding customer insurance in order for the Company to avoid significant risk of bad debts.

Impact on the external environment

The Company always tries to optimise recycling, sort garbage and be more aware of the usage of energy sources.

Statutory CSR report

L'Oréal S.A., the Parent of L'Oréal Danmark, has signed the UN Global Compact and prepared a CSR report for the Group. The report can be obtained at www.loreal.com under "Sustainable development".

Account of the gender composition of management

The legislation aims to increase the share of the underrepresented gender in all of the company's management levels, which means that both gender are represented in the board with more than 33% and in other managing positions than the board with more than 40%.

The company will seek to increase the share of female board members and male leaders in other managing positions and have the following target:

- The status by the end of 2015 is that there are no members who are female in the board equaling to 0%. The target is, that by the end of 2017, 33% of the board members, who are elected on the annual general meeting are female. In the company there are 3 elected member in the board of directors. The gender composition of the board remains unchanged during the year, as there has not been elected new board members.

The company has as per December 31, 2015 66.5% of women in other managing positions, than the board. The company aim to seek equality between genders in other managing positions. The target is that by the end of 2017, 40% of employees in other managing positions will be male. To support this development, the company has established recruitment procedures securing that candidates of both genders are considered when hiring or promoting for management positions.

Management's review

Operating review

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Outlook

The market continues with low growth expectations of +0,1% in 2015, after +1,0% in 2014. Hence the Company is still in a positive development with ambitions to grow twice as fast as the market and gain market shares.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2015	2014
2	**Revenue**	1,384,219	1,350,302
	Cost of sales	-752,554	-730,645
	Other operating income	221,977	187,855
	Other external expenses	-458,981	-427,722
	Gross profit	394,661	379,790
3	Staff costs	-256,013	-220,574
4	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-16,922	-18,337
	Operating profit	121,726	140,879
5	Financial income	11,292	5,793
6	Financial expenses	-11,780	-7,051
	Profit before tax	121,238	139,621
7	Tax for the year	-28,046	-34,207
	Profit for the year	93,192	105,414

	Proposed profit appropriation		
	Proposed dividend recognised under equity	93,192	105,414
		93,192	105,414

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	ASSETS		
	Non-current assets		
8	**Intangible assets**		
	Acquired licences	9,401	6,353
	Acquired trademarks	0	0
	Goodwill	0	0
	Development projects in progress and prepayments for intangible assets	12,483	3,349
		21,884	9,702
9	**Property, plant and equipment**		
	Land and buildings	3,058	3,232
	Fixtures and fittings, other plant and equipment	41,548	24,962
		44,606	28,194
	Investments		
	Deposits, investments	20,988	13,810
		20,988	13,810
	Total non-current assets	87,478	51,706
	Current assets		
	Inventories		
	Finished goods and goods for resale	119,413	92,918
		119,413	92,918
	Receivables		
	Trade receivables	218,354	193,940
	Receivables from group enterprises	68,257	55,325
12	Deferred tax assets	10,363	8,940
	Corporation tax receivable	3,087	0
	Other receivables	42,723	44,228
10	Prepayments	5,756	3,680
		348,540	306,113
	Cash	0	1
	Total current assets	467,953	399,032
	TOTAL ASSETS	555,431	450,738

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	2,010	2,010
	Retained earnings	39,269	39,379
	Dividend proposed	93,192	105,414
	Total equity	134,471	146,803
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	35,765	30,685
	Payables to group enterprises	188,978	110,308
	Corporation tax payable	0	3,109
	Other payables	196,217	159,833
		420,960	303,935
	Total liabilities other than provisions	420,960	303,935
	TOTAL EQUITY AND LIABILITIES	555,431	450,738

1 Accounting policies
13 Contractual obligations and contingencies, etc.
14 Related parties
15 Fee to the auditors appointed by the Company in general meeting

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2015	2,010	39,379	105,414	146,803
Profit/loss for the year	0	0	93,192	93,192
Other value adjustments of equity	0	-110	0	-110
Dividend distributed	0	0	-105,414	-105,414
Equity at 31 December 2015	2,010	39,269	93,192	134,471

Financial statements for the period 1 January - 31 December

Cash flow statement

Notes	DKK'000	2015	2014
	Profit for the year	93,192	105,414
	Adjustments	46,473	278
	Cash generated from operations (operating activities)	139,665	105,692
16	Changes in working capital	55,722	-19,845
	Cash generated from operations (operating activities)	195,387	85,847
	Interest received, etc.	11,292	5,793
	Interest paid, etc.	-11,780	-7,051
	Income taxes paid	-35,615	-33,756
	Cash flows from operating activities	159,284	50,833
	Additions of intangible assets	-14,553	-2,298
	Additions of property, plant and equipment	-32,140	2,301
	Purchase of financial assets	-7,178	-1,167
	Cash flows from investing activities	-53,871	-1,164
	Dividends paid	-105,414	-84,472
	Cash flows from financing activities	-105,414	-84,472
	Net cash flow	-1	-34,803
	Cash and cash equivalents at 1 January	1	34,807
	Cash and cash equivalents at 31 December	0	4

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of L'Oréal Danmark A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards large reporting class C enterprises.

The accounting policies applied by the company are consistent with those of last year.

Recognition and measurement in general

The financial statements are based on the historical cost principle with below exceptions.

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

Liabilities are recognised in the balance sheet when it is probable as a result of a prior event that there will be an outflow of future economic recourses from the Entity, and the value can be measured reliably.

Revenue is recognised in the income statement as earned based on the following criteria:
- a binding sales agreement has been made,
- the sales price has been determined,
- delivery has been made before year-end,
- payment has been received at the time of sale or may with reasonable certainty be expected to be received.

Based on the above, revenue is recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, 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.

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

Foreign currency translation

Transactions in foreign currencies are converted during the year 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.

Receivables and payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are converted at the exchange rates at the balance sheet date. Any difference 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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently premeasured at their fair values. Positive and negative fair values of derivative financial instruments are included as prepayments and deferred income, respectively.

Changes in the fair values of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or the hedged liability.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions relating to purchases and sales in foreign currencies are recognised in prepayments or deferred income and retained earnings under equity, respectively. If the expected future transaction results in the recognition of assets or liabilities, amounts deferred in equity are transferred from equity and recognised in the cost of the asset or the liability, respectively. Amounts deferred in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk have been made to the purchaser by year-end. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Other operating income

Other operating income consists of secondary sources of income compared to the Entity's main activity. Other operating income originates from the re-invoicing of service costs, including a mark-up to the sister companies in Norway, Sweden, Finland, Holland, and Belgium in relation to existing service contracts.

Cost of sales

Cost of sales comprises cost of sales for raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

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

Staff costs

Staff costs include all costs relating to salaries and wages, pension contributions and social security contributions, etc for entity staff.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment as well as gain and losses from current replacement of fixed assets.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Goodwill	5 years
Acquired trademark	10 years
Acquired licenses	3-5 years

The financial estimated useful life of trademark is minimum of 10 years. The valuation is based on similar experience.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	15 years
Fixtures and fittings, tools and equipment	3-10 years

Financial income and expenses

Other financial income comprises interest income, realised and unrealised exchange adjustments.

Other financial expenses comprise interest expenses, financial expenses in respect of finance leases, realised and unrealised exchange adjustments.

Tax

Tax for the year consists of current tax for the year and 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 entries is recognised directly in equity. Any share of the tax reported in the incomestatement arising from profit/loss on extraordinary activites for the year is attributed to such activites, whereas the remaining share is attributed to profit/loss on ordinary activites for the year.

The Entity is jointly taxed with B.S. Denmark A/S. The Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income (full allocation with reimbursement for tax losses).

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc are measured at cost less accumulated amortisation.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is 3-5 years. For development projects protected by intelllectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

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

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Property, plant and equipment

Land and buildings as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated deprectiation and impairment losses. Land is not depreciated.

Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Impairment of fixed assets

Intangible assets, property, plant and equipment and investments in subsidiaries and associates are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Inventories

Inventories of raw materials etc are valued at average cost. Inventories have been written down in respect of obsolescence.

The cost of goods for resale, raw materials and consumables comprises the cost prices and related transportation costs.

Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad and douibtful debts. Provisions for bad and doubtful debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Entity's experience.

Prepayments

Prepayments include incurred costs in respect of subsequent financial years, including fair value adjustments of derivative financial instruments with a positive fair value. Such expenses are typically prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Cash and cash equivalents

Cash comprises cash in hand and bank deposits.

Equity

Proposed dividends

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Corporation tax

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes or other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or taxable income. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, 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.

Liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Lease liabilities

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Cash flow statement

Cash flows from operating activities are calculated as profit/loss for the year adjusted for non-cash operating items such as depreciation, amortisation and impairment losses, provisoins as well ass changes in working capital, interest received and paid and corporation tax paid. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activites comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debts as well as payment of dividend to shareholders.

The cash flow statement cannot be immediately derived from the published financial records.

Segment information

Information is provided on business segments and geographical markets. Segment information is based on the Company's accounting policies, risks and internal financial management. Assets in the segment comprises the assets that are used directly in the revenue-generating activity of the segment. Segment liabilities comprise liabilities resulting from the activities of the segment, including trade and other payables.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$
Net margin	$\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK'000		2015	2014
2	**Revenue**		
	Geographical segmentation of revenue:		
	Denmark	861,840	846,974
	Other European countries	522,379	503,328
		1,384,219	1,350,302

The primary market segment of the L'Oréal Group is product-oriented and the secondary segment is geographical. Total revenue of L'Oréal Danmark A/S is generated within the product segment perfumes and toiletries and geographically in Scandinavia.

Product segments are not disclosed as management believes it will be damaging to the Company.

		2015	2014
3	**Staff costs**		
	Wages/salaries	236,185	203,071
	Pensions	17,292	15,214
	Other social security costs	2,536	2,289
		256,013	220,574
	Average number of full-time employees	413	358

Total remuneration to Executive board: t.DKK 12,327 (2014: t.DKK 5,709)

Part of the staff costs are related to the shared IT, service, and logistical functions are re-invoiced to the affiliated companies in Sweden, Finland, Holland, Belgium, and Norway and recognised as income under other operating income.

		2015	2014
4	**Amortisation/depreciation and impairment of intangible assets and property, plant and equipment**		
	Amortisation of intangible assets	2,251	2,409
	Depreciation of property, plant and equipment	14,671	15,928
		16,922	18,337
5	**Financial income**		
	Interest receivable, group entities	2,610	3,000
	Other interest income	495	298
	Exchange adjustments	8,187	2,495
		11,292	5,793
6	**Financial expenses**		
	Interest expenses, group entities	2,728	631
	Other interest expenses	185	510
	Exchange adjustments	8,867	5,910
		11,780	7,051

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK'000		2015	2014
7	**Tax for the year**		
	Estimated tax charge for the year	29,917	37,179
	Deferred tax adjustments in the year	-1,373	-2,972
	Tax adjustments, prior years	-498	0
		28,046	34,207

8 Intangible assets

DKK'000	Acquired licences	Acquired trademarks	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2015	13,710	55,255	2,000	3,349	74,314
Additions	5,419	0	0	12,483	17,902
Disposals	-119	0	0	-3,349	-3,468
Cost at 31 December 2015	19,010	55,255	2,000	12,483	88,748
Impairment losses and amortisation at 1 January 2015	7,357	55,255	2,000	0	64,612
Amortisation for the year	2,252	0	0	0	2,252
Impairment losses and amortisation at	9,609	55,255	2,000	0	66,864
Carrying amount at 31 December 2015	9,401	0	0	12,483	21,884

9 Property, plant and equipment

DKK'000	Land and buildings	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2015	4,713	96,429	101,142
Additions	0	31,949	31,949
Disposals	0	-4,500	-4,500
Transferred	0	188	188
Cost at 31 December 2015	4,713	124,066	128,779
Impairment losses and depreciation at 1 January 2015	1,481	71,467	72,948
Depreciation	174	14,496	14,670
Depreciation and impairment of disposals	0	-3,445	-3,445
Impairment losses and depreciation at 31 December 2015	1,655	82,518	84,173
Carrying amount at 31 December 2015	3,058	41,548	44,606

10 Prepayments

The item consists primarily of prepaid rent, advertising and promotion expenses.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK'000	2015	2014
11 Share capital		
The share capital consists of the following:		
402,000 shares of DKK 5.00 each	2,010	2,010
	2,010	2,010

The Company's share capital has remained DKK 2,010 thousand over the past 5 years.

12 **Deferred tax**		
Deferred tax relates to:		
Intangible assets	-2,027	-1,443
Property, plant and equipment	2,546	4,386
Receivables	1,537	2,484
Inventories	2,963	2,561
Other taxable temporary differences	5,344	952
	10,363	8,940

13 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company is the administration company of joint taxation (DK) and, consequently, is liable as of the financial year 2013 for income tax etc and for any obligation to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. However, the maximum liability equals the part of the shareholding in the Company which is directly or indirectly owned by the Ultimate Parent.

The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

Other financial obligations

Other rent and lease liabilities:		
Rent and lease liabilities	199,436	87,560

Rent and lease liabilities include rental and lease commitments due within 1 year totalling t.DKK 36,073 (2014: 28,008) and commitments due between 1 and 5 years totalling t.DKK 163,363 (2014: 52,909). Furthermore, the Company has rental and lease commitments due after 5 years totalling t.DKK 0 (2014: 6,643).

Financial statements for the period 1 January - 31 December

Notes to the financial statements

14 Related parties

L'Oréal Danmark A/S' related parties comprise the following:

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
L'Oréal S.A.	Rue Royal 14, FR-75008 Paris, France	www.loreal.com

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
L'Oréal S.A.	Rue Royal 14, FR-75008 Paris, France

15 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for L'Oréal S.A.

16 Changes in working capital

Change in inventories	-26,495	8,109
Change in receivables	-37,917	-85,231
Change in trade payables etc	120,134	57,277
	55,722	-19,845