

Oriflame International ApS

CVR no. 87 6949 17



Annual report 2015

Approved at the Company's annual general meeting on 31 May 2016

Chairman:



Thom Steen-Thomsen

EY

Building a better
working world

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditors' report	3
Management's review	4
Financial statements for the period 1 January - 31 December	5
Income statement	5
Balance sheet	6
Notes to the financial statement	7

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 Oriflame International ApS for the financial year 1 January - 31 December 2015.

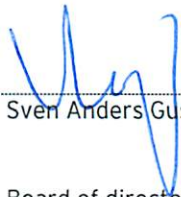
The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that 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 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.

Slangerup, 31 May 2016
Executive Board:



Sven Anders Gustaf Ågren

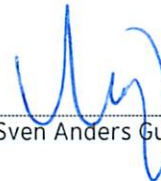
Board of directors:



Wilhelm Gabriel Dücker
Bennet
Chairman



Dan Jesper Urban
Martinsson



Sven Anders Gustaf Ågren

Independent auditors' report

To the shareholder of Oriflame International ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Oriflame International ApS 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.

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 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 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 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, 31 May 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
cvr-nr. 30 70 02 28

Poul Erik Olsen
State Authorised Public Accountant

Management's review

Operating review

Principal activity

Until mid-2012, Oriflame International ApS sold cosmetics, skincare products, jewellery and similar products to private customers through its club activity in Denmark.

After the disposal of the activity and dismissal of all the employees, the Company has without luck tried to sell the remaining property. Instead, the property has been let out for a 2-year tenancy.

Development of activities and financial situation

The Company has not succeeded in selling the property at the asking price.

The loss for the year of DKK 163 thousand is as expected.

Outlook

The property is expected to be sold after the 2-year short-term tenancy. The Oriflame Group has expressed its commitment to subordinate its uncovered receivable and to provide financial support to the Company until a liquidation, if necessary.

Events after the balance sheet date

Except for the rental of the property, no events with material effect on the financial position of the Company at 31 December 2015 have occurred.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2015	2014
	Revenue	495	0
	Gross profit	495	0
	Administrative expenses	-557	-467
	Other operating income	23	4
	Operating profit/loss	-39	-463
	Financial income	0	9
2	Financial expenses	-124	-118
	Profit/loss from ordinary operations before tax	-163	-572
3	Corporation tax	0	0
	Profit/loss for the year	-163	-572
	Proposed profit appropriation/distribution of loss		
	Retained earnings	-163	-572
		-163	-572

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	ASSETS		
	Non-current assets		
4	Property, plant and equipment		
	Land and buildings	5,092	5,285
		5,092	5,285
	Total non-current assets	5,092	5,285
	Current assets		
	Receivables	0	0
	Other receivables	0	69
		0	69
	Cash at bank and in hand	119	11
	Total current assets	119	80
	TOTAL ASSETS	5,211	5,365
	 EQUITY AND LIABILITIES		
5	Equity		
	Share capital	3,300	3,300
	Retained earnings	-3,538	-3,375
	Total equity	-238	-75
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Amounts owed to group enterprises	5,224	5,398
	Other payables	225	42
		5,449	5,440
	Total liabilities other than provisions	5,449	5,440
	TOTAL EQUITY AND LIABILITIES	5,211	5,365
6	Staff costs		
7	Ownership		

Financial statements for the period 1 January - 31 December

Notes to the financial statement

1 Accounting Policies

The annual report of Oriflame International ApS for 2015 has been prepared in accordance with the provisions applying to medium-sized class B enterprises under the Danish Financial Statements Act.

The Company's accounting policies are consistent with those of previous years.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Income statement

Revenue

Revenue is measured at the fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for Company management and administration, including expenses for administrative staff, management, office premises and office expenses, and depreciation.

Financial income and expense

Financial income and expense comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies.

Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement.

Financial statements for the period 1 January - 31 December

Notes to the financial statement

Balance sheet

Property, plant and equipment

Land and buildings, operating equipment and cars are measured at cost less accumulated depreciation and impairment. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings 50 years

Depreciation is recognised in the income statement as administrative expenses.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses.

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.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income.

Deferred tax is measured according to 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. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Financial liabilities

Liabilities are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statement

DKK'000	2015	2014
2 Financial expenses		
Interest expenses to group enterprises	110	117
Other interest expenses	0	1
	<u>110</u>	<u>118</u>
3 Corporation tax		
Tax on the profit for the year	0	0
Adjustment of deferred tax	0	0
	<u>0</u>	<u>0</u>

Deferred tax asset at 31 December 2015 of DKK 7,138 thousand regarding tax loss and time lags for non-current assets has not been recognised in the financial statements since the future utilisation of the tax loss is uncertain.

DKK'000	Land and buildings
4 Property, plant and equipment	
Cost at 1 January 2015	8,918
Additions	0
Disposals	0
Cost at 31 December 2015	<u>8,918</u>
Depreciation and impairment at 1 January 2015	-3,633
Depreciation	-193
Depreciation on assets disposed of	0
Depreciation and impairment at 31 December 2015	<u>-3,826</u>
Carrying amount at 31 December 2015	<u>5,092</u>

5 Equity

The share capital consists of 660 shares of DKK 5 thousand each.

Changes in equity can be specified as follows:

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2015	3,300	-3,375	-75
Profit carried forward	0	-163	-163
Equity at 31 December 2015	<u>3,300</u>	<u>-3,538</u>	<u>-238</u>

The share capital has been unchanged the last five years.

As stated in the Management's review, the Company is expected liquidated when the property is sold. The liquidation assumption is based on the Oriflame Group's commitment to subordinate its uncovered receivable and to provide financial support to the Company until the liquidation, if necessary.

Financial statements for the period 1 January - 31 December

Notes to the financial statement

6 Staff costs

Like last year, there are no other employees than the registered managing director.

7 Ownership

Oriflame Cosmetics Global SA, 24 Avenue Emile Reuter, L2420 Luxembourg, the main shareholder.