

Oriflame International ApS

CVR-nr. 87 69 49 17

Annual report 2014

Approved at the Company's annual general meeting on 28/4 2015

Chairman:



Thom Steen-Thomsen



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working world



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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 2014.

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 2014 and of the results of the Company's operations for the financial year 1 January - 31 December 2014.

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

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

Slangerup, 9 March 2015

Direktion:

Executive Board:

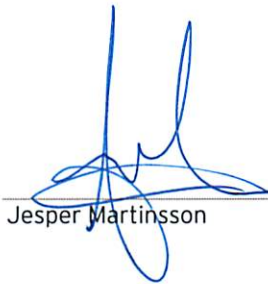


Sven Anders Gustaf Ågren

Board of directors:



Gabriel Bennet
Chairman



Jesper 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 2014. 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 2014 and of the results of its operations for the financial year 1 January - 31 December 2014 in accordance with the Danish Financial Statements Act.

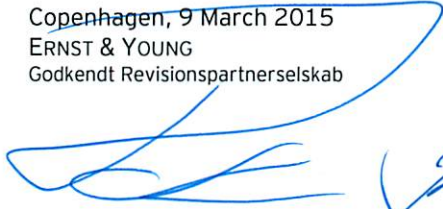
Emphasis of matter regarding the financial statements

Without modifying our opinion, we draw attention to note 5 to the financial statements regarding the Company's ability to continue as a going concern until the Company's property has been sold. The going concern 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.

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, 9 March 2015
ERNST & YOUNG
Godkendt Revisionspartnerselskab



Poul Erik Olsen
statsaut. revisor
State Authorised
Public Accountant



Birgitte Nielsen
statsaut. revisor
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 tried to sell the remaining property which has been put up for sale for DKK 7.2 million.

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 572 thousand is as expected, and is caused by cost arising from not having been able to sell the property.

Outlook

After the end of the financial year, the property has been let out for a preliminary six-month short-term tenancy.

The property is expected to be sold at an amount exceeding the book value at 31 December 2014. After the sale, the Company will be terminated by liquidation. The Oriflame Group has expressed its commitment to subordinate its uncovered receivable and to provide financial support to the Company until the 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 2014 have occurred.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2014	2013
	Revenue	0	113
	Gross profit	0	113
	Administrative expenses	-467	-620
	Other operating income	4	0
	Operating profit/loss	-463	-507
	Financial income	9	0
2	Financial expenses	-118	-113
	Profit/loss from ordinary operations before tax	-572	-620
3	Corporation tax	0	0
	Profit/loss for the year	-572	-620
Proposed profit appropriation/distribution of loss			
	Retained earnings	-572	-620

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2014	2013
	ASSETS		
	Non-current assets		
4	Property, plant and equipment		
	Land and Buildings	5,285	5,477
		<u>5,285</u>	<u>5,477</u>
	Total non-current assets	<u>5,285</u>	<u>5,477</u>
	Current assets		
	Receivables		
	Other receivables	69	2
		<u>69</u>	<u>2</u>
	Cash at bank and in hand	<u>11</u>	<u>18</u>
	Total current assets	<u>80</u>	<u>20</u>
	TOTAL ASSETS	<u>5,365</u>	<u>5,497</u>
	EQUITY AND LIABILITIES		
5	Equity		
	Share capital	3,300	3,300
	Retained earnings	-3,375	-2,803
	Total equity	<u>-75</u>	<u>497</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Amounts owed to group enterprises	5,398	4,960
	Other payables	42	40
		<u>47,398</u>	<u>5,000</u>
	Total liabilities other than provisions	<u>5,440</u>	<u>5,000</u>
	TOTAL EQUITY AND LIABILITIES	<u>5,365</u>	<u>5,497</u>
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 2014 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 from the sale of goods is recognised in the income statement when delivery and transfer of risk to the buyer has taken place and that the income can be reliably measured and is expected to be received. Revenue is measured e.x VAT, taxes and discounts in relation to the sale.

Financial statements for the period 1 January - 31 December

Notes to the financial statement

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.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statement

Receivables

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

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

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.

DKK'000	2014	2013
2 Financial expenses		
Interest expenses to group enterprises	117	107
Other interest expenses	1	6
	<u>118</u>	<u>113</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 2014 of DKK 6,975 thousand regarding tax loss and time lags for non-current assets has not been recognized in the financial statements since the future utilization of the tax loss is uncertain.

Financial statements for the period 1 January - 31 December

Notes to the financial statement

4 Property, plant and equipment

DKK'000	Land and buildings
Cost at 1 January 2014	8,918
Additions	0
Disposals	0
Cost at 31 December 2014	8,918
Depreciation and impairment at 1 January 2014	-3.441
Depreciation	-192
Depreciation on assets disposed of	0
Depreciation and impairment at 31 December 2014	-3.633
Carrying amount at 31 December 2014	5.285

5 Equity

The share capital consists of 660 shares of DKK 5 thousand each. The Company is a wholly-owned subsidiary of Oriflame Cosmetics Global SA, 24 Avenue Emile Reuter, L2420 Luxembourg.

Changes in equity can be specified as follows:

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2014	3,300	-2,803	497
Profit carried forward	0	-572	-572
Equity at 31 December 2014	3,300	3,375	-75

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.

The share capital has been unchanged the last five years.

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.