

Year-end report 1 January – 31 December 2012

3 months ended 31 December 2012

- Local currency sales decreased by 2% and Euro sales were stable at €410.6m (€408.7m).
- Average size of the sales force decreased by 7% to 3.2m Oriflame Consultants and closing sales force was down by 5% to 3.4m.
- EBITDA amounted to €64.1m (€50.5m).
- Adjusted operating margin was 13.7% (12.8%) resulting in an adjusted operating profit of €56.2m (€52.2m).
- Adjusted net profit amounted to €37.2m (€35.0m) and adjusted EPS amounted to €0.65 (€0.61).
- Cash flow from operating activities amounted to €77.9m (€90.2m).
- EGM approval for share buyback mandate to repurchase up to 10 percent of outstanding shares until 2014 AGM. A first part of the share buyback programme was subsequently initiated on 2 January, 2013 with a repurchase notional of SEK 350m to be executed until 23 April, 2013.

12 months ended 31 December 2012

- Local currency sales decreased by 1% and Euro sales amounted to €1,489.3m (€1,493.8m).
- EBITDA amounted to €204.2m (€182.2m).
- Adjusted operating margin was 11.8% (11.0%) resulting in an adjusted operating profit of €175.1m (€164.1m).
- Adjusted net profit amounted to €121.5m (€105.7m) and adjusted EPS amounted to €2.13 (€1.86).
- Cash flow from operating activities improved to €183.7m (€135.3m).
- First quarter update: The underlying sales growth in the first quarter 2013 to date is around 2% in local currency. The full quarter will be negatively impacted by the leap year in 2012 and due to early Easter holiday in 2013. Operating margin comparables for the first quarter 2013 are more challenging compared to the rest of the year.
- Oriflame's Board of Directors will propose a dividend for 2012 of €1.75 per share (€1.75), payable after the AGM to be held on 21 May 2013. As from the dividend on 2013 profits, payable in 2014, the Board of Directors intends to, in the year-end report 2013, propose a dividend to be determined by the AGM in May 2014 and to be paid out in four instalments in order to optimise the balance sheet over the year.

CEO Magnus Brännström comments

"I am pleased to see an improvement of the sales development compared to the third quarter. Despite the challenges we have seen during the year, we have achieved improved operating margin and an excellent cash flow. For 2013, we remain confident with the strategy laid out for the company which provides a solid base for our ambitions to return to sales growth."

Sales and earnings

FINANCIAL SUMMARY (€ Million)	3 months ended 31 December 2012	2011	Change	12 months ended 31 December 2012	2011	Change
Sales	410.6	408.7	-	1,489.3	1,493.8	-
Gross margin, %	73.3	65.7	-	70.7	67.9	-
EBITDA	64.1	50.5	27%	204.2	182.2	12%
Adj. operating profit	56.2	52.2[1]	8%	175.1	164.1[2]	7%
Adj. operating margin, %	13.7	12.8[1]	-	11.8	11.0[2]	-
Adj. net profit before tax	47.9	43.5[1]	10%	152.9	127.7[2]	20%
Adj. net profit	37.2	35.0[1]	6%	121.5	105.7[2]	15%
Adj. EPS, €	0.65	0.61[1]	6%	2.13	1.86[2]	15%
Cash flow from operating activities	77.9	90.2	(14%)	183.7	135.3	36%
Net interest-bearing debt	214.0	232.9	(8%)	214.0	232.9	(8%)
Net interest-bearing debt at hedged values	179.2	195.1	(8%)	179.2	195.1	(8%)
Sales force, average, '000	3,168	3,393	(7%)	3,385	3,599	(6%)

1) Before restructuring costs of €3.8m.

2) Before restructuring costs of €5.9m.

-2%

Local currency sales

Three months ended 31 December 2012

Sales in local currencies decreased by 2% and Euro sales amounted to €410.6m compared to €408.7m in the same period prior year. Sales development in local currencies was driven by a 7% decrease in the average size of the sales force and increased productivity of 5%. Closing sales force (active consultants*) decreased by 5% to 3.4m Oriflame Consultants. Unit sales were down by 5% partly offset by a positive price/mix effect of 3%.

Local currency sales increased by 7% both in Asia and Latin America and in EMEA by 3% while CIS & Baltics decreased by 7%.

Gross margin was 73.3% (65.7%). The improvement was primarily driven by a positive price/mix effect and lower product costs. Approximately 250 bps of the margin improvement was however due to inventory provisions made last year. Adjusted operating margin amounted to 13.7% (12.8%).

+90 bps

Adjusted operating margin

After further assessing the business in East Africa as well as in UK, impairment and write downs have been made impacting the group adjusted operating profit by €5.4 m. However the company's long term view on the potential of these markets remains positive. Adjusted operating margin was also negatively affected by higher provisions for the share incentive plan and staff bonuses. All in all, the net effects from changes made in provisions during the quarter this year and the previous year were neutral on an operating profit level.

Adjusted net profit amounted to €37.2m (€35.0m) and adjusted earnings per share amounted to €0.65 (€0.61). The tax rate was high in the quarter impacted by the geographical mix and higher costs for final tax rulings in certain markets.

Cash flow from operating activities amounted to €77.9m (€90.2m), impacted by a less positive working capital development compared to last year.

Improvements in the global supply chain, administrative functions and extended use of online tools have led to additional reductions in the average number of full-time equivalent employees to 7,481 (7,628).

Gross margin

improvement from efficiencies and price/mix

Twelve months ended 31 December 2012

Sales in local currencies decreased by 1% and Euro sales amounted to €1,489.3m compared to €1,493.8m in the same period prior year.

Sales development in local currencies was the result of a 6% decrease in the average size of the sales force and a productivity improvement of 5%.

Gross margin improved to 70.7% (67.9%) driven by lower inventory provisions, supply chain efficiencies and a positive price/mix effect. The adjusted operating margin was 11.8% (11.0%), positively impacted by gross margin, partly offset by higher administrative costs. Efforts to reduce costs throughout the organization will continue.

Adjusted net profit increased to €121.5m (€105.7m) and adjusted earnings per share to €2.13 (€1.86).

Cash flow from operating activities amounted to €183.7m (€135.3m). The cash flow has been increased through improved working capital management and higher margins.

* As from the first quarter 2013, Oriflame will report one measure of the number of consultants – *active consultants* – which is the number of Oriflame Consultants that has placed at least one order during the quarter. This number corresponds to what was previously called *closing sales force*.

Operational highlights

Brand and innovation

In fourth quarter, Oriflame launched the *Hollywood collection*, the first collection of *More by Demi* - a unique, luxury cosmetics range developed in collaboration with Hollywood megastar Demi Moore. *More by Demi* is one of Oriflame's most premium collections ever which consists of a selection of exquisite make-up, delicate fragrances and elegant accessories and jewellery.

The cross category collection *Sparkle in Paris* launched in the quarter performed well.

The Fragrance category showed relative good performance with major launches such as *More by Demi Eau de Parfum*, *Sparkle in Paris Eau de Toilette* and *Giordani White Gold Eau de Parfum* as well as the male fragrance *Espionage*.

Wellness continued to deliver solid growth fuelled by the re-launch of the *Multivitamins* and *Wellness Packs*.

The Personal and Hair Care category saw another difficult quarter impacted by competition from low priced alternative brands.

Within the Skin Care category the heritage brand *Tender Care* performed well with the launch of a limited edition almond scent. The upper price segment also showed good development.

The launch of the *Black Out Mascara* under the brand *Vey Me* contributed positively to the development of the Colour Cosmetics category.

For the twelve months ended 31 December 2012 the total net sales were split among the categories according to the table below:

PRODUCT CATEGORY	12 months ended 31 December 2012	2011
Colour Cosmetics	24%	24%
Skin Care	22%	21%
Personal and Hair Care	20%	21%
Fragrances	20%	20%
Accessories	9%	10%
Wellness	5%	4%

Online

In the fourth quarter, traffic volumes as well as online services utilisation increased on Oriflame's global websites. The roll-out of the new and simplified ordering and registration processes continued and are now available in most markets.

To support the increased sales force activities on digital platforms a number of training modules were launched during the quarter, primarily to help new Oriflame Consultants to achieve business growth through increased knowledge of the Oriflame products and business model, as well as to assist and advice on how to bring direct selling activities onto digital platforms to complement the offline business activities. Oriflame Consultants are now given the opportunity to host their own training and recruiting sessions online, using a globally provided webinar tool.

1,200,000

Leads generated from Facebook and vKontakte

The virtual make-up studio launched in the third quarter now reached global coverage and is still one of the most frequently visited features of the site. One of the most successful digital campaigns launched during the fourth quarter was the "Wish upon a Star" application featuring Demi More. Very high engagement levels were seen on the sites and especially in social media, generating an increased number of new visitors to Oriflame sites.

Traffic generated to Oriflame websites from social platforms (mainly Facebook and vKontakte, main Russian social media site) remained high with about 1,200,000 visits.

Online highlights for the quarter:

- More than 3,000,000 followers on our global Facebook pages
- More than 85 percent of total orders placed online
- 11,000,000 unique visitors on Orilame websites
- Average visit duration 15 minutes

Service

The enhanced planning system and processes continue to deliver significant improvements. In the fourth quarter, Oriflame managed to maintain very high service levels. The achievements in 2012 were better than the year before and even the best since the tracking of the global service levels was introduced. In unit terms, as well as in financial terms, the year-end inventory closed at levels substantially below the same period the year before.

The restructuring of the global distribution network and footprint is progressing according to plan with the main focus on the distribution centers in Budapest and in Noginsk (Moscow Region). There are presently eight markets served from the Budapest facility and another three will be integrated in 2013. The Oriflame Consultants have benefitted from clear improvements in the service levels. The set-up of the new Group Distribution Center (GDC) in Noginsk is progressing well with the final tests of the picking line, and the center will be operational in the first quarter of 2013. The construction work of the connected factory building is proceeding according to plan and production is expected to start in 2014.

The transfer of products towards third party manufacturers in the CIS region is making further progress with significant cost savings as a result. During the fourth quarter, more fragrances have been successfully produced at the fragrance supplier in Ukraine and additional products have been added to the product range to further increase the CIS sourcing base in 2013.

In India, local sourcing of all selected product categories have been secured. To facilitate the continued localisation of new and on-going products, the sub-regional organisation established in the New Delhi area has been further strengthened.

Lead times

Substantially reduced

A project to reduce lead-times for a number of product groups produced in the Oriflame in-house factories has delivered good results. The overall lead-times have been reduced with around 25 percent for almost half of the global cosmetics sourcing volumes. This allows higher flexibility, better product availability and improved inventory management. The next phase of the project will focus on the external suppliers.

CIS & Baltics

Key figures

	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12
Sales, €m	228.7	224.9	199.8	155.0	220.3
Sales growth in €	(12%)	(2%)	(0%)	(7%)	(4%)
Sales growth in lc	(6%)	1%	(1%)	(11%)	(7%)
Op profit, €m	41.8	39.2	34.3	23.4	39.8
Op margin	18.3%	17.4%	17.1%	15.1%	18.1%
Avg. Sales force, '000	1,938	2,074	1,951	1,645	1,628

Countries

Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Mongolia, Russia, Ukraine.

+9%

Local currency productivity

Development

Local currency sales in the fourth quarter decreased by 7% as a result of a 16% decrease in the average size of the sales force and a 9% productivity improvement compared to prior year. Euro sales were down by 4% to €220.3m (€228.7) and closing sales force (active consultants) was down by 14% compared to prior year.

High churn of less productive Oriflame Consultants continued to impact the overall sales force number. Local currency sales in Russia were down by 7% in the quarter.

Operating profit amounted to €39.8m (€41.8m). Operating margin decreased marginally to 18.1% (18.3%), mainly due to higher selling, marketing and administrative expenses almost fully compensated by higher gross margin.

Regarding the recent change in tax imposed on self-employed entrepreneurs in Russia the company's assessment is that its sales and profitability will not be materially impacted by the change.

EMEA

Key figures

	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12
Sales, €m	115.0	103.8	103.5	86.5	120.1
Sales growth in €	(3%)	(3%)	(2%)	(7%)	4%
Sales growth in lc	2%	0%	0%	(8%)	3%
Adj. Op profit, €m	19.4	13.2	15.2	9.5	24.5
Adj. Op margin	16.8%	12.7%	14.7%	11.0%	20.4%
Avg. Sales force, '000	843	899	926	855	882

Countries

Algeria, Bosnia, Bulgaria, Croatia, Czech Rep., Egypt, Finland, Greece, Holland, Hungary, Kenya, Morocco, Macedonia, Montenegro, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Tanzania, Turkey, Uganda.

Development

+3%

Local currency sales

Local currency sales in the fourth quarter increased by 3%, a result of a 5% increase in the average size of the sales force partly offset by a 2% productivity decrease. Euro sales increased by 4% to €120.1m (€115.0m) and closing sales force (active consultants) was up by 6% compared to the same period prior year. Sales growth was strong in Turkey, Finland, Romania and Northern Africa.

Adjusted operating margin improved to 20.4% (16.8%), mainly as a result of increased gross margin and efficiency improvements. The adjusted operating profit was €24.5m (€19.4m).

Latin America

Key figures

	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12
Sales, €m	21.9	22.3	24.2	28.3	25.8
Sales growth in €	(2%)	13%	15%	16%	18%
Sales growth in lc	3%	10%	9%	5%	7%
Adj. Op profit, €m	1.8	1.3	2.0	2.9	2.5
Adj. Op margin	8.3%	5.8%	8.3%	10.1%	9.7%
Avg. Sales force, '000	167	158	171	175	181

Countries

Chile, Colombia, Ecuador, Mexico, Peru.

Development

+7%

Closing sales force

Local currency sales in the fourth quarter increased by 7%, driven by an 8% increase in the average size of the sales force partly offset by a productivity decrease of 1%. Euro sales increased by 18% to €25.8m (€21.9m) and the closing sales force (active consultants) was up by 7%. Sales growth was strong in Mexico while weaker in Chile and Peru.

Adjusted operating profit increased to €2.5m (€1.8m) resulting in an adjusted operating margin of 9.7% (8.3%). The margin improvement was driven by the higher gross margin and positive currency movements.

Asia

Key figures

	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12
Sales, €m	40.0	41.2	43.6	37.6	42.4
Sales growth in €	16%	16%	21%	9%	6%
Sales growth in lc	21%	16%	18%	8%	7%
Adj. Op profit, €m	5.6	2.7	3.4	1.5	4.1
Adj. Op margin	14.0%	6.5%	7.8%	3.9%	9.7%
Avg. Sales force, '000	445	473	524	479	477

Countries

China, India, Indonesia, Pakistan, Sri Lanka, Thailand, Vietnam.

Development

+9%

Closing sales force

Fourth quarter sales growth in local currencies was 7% due to an equivalent increase in the average size of the sales force and unchanged productivity. Euro sales increased by 6% to €42.4m (€40.0m). Closing sales force (active consultants) was up by 9%. Sales momentum was particularly strong in China and India.

Adjusted operating margin amounted to 9.7% (14.0%) mainly impacted by higher selling and marketing costs. The adjusted operating profit was €4.1m (€5.6m).

Sales, operating profit and consultants by region

Sales (€ Million)	3 months ended 31 December 2012	2011	Change in Euro	Change in lc
CIS & Baltics	220.3	228.7	(4%)	(7%)
EMEA	120.1	115.0	4%	3%
Latin America	25.8	21.9	18%	7%
Asia	42.4	40.0	6%	7%
Manufacturing	0.1	0.2	(49%)	(52%)
Other	1.9	3.0	(32%)	(36%)
Total sales	410.6	408.7	0%	(2%)

Sales (€ Million)	12 months ended 31 December 2012	2011	Change in Euro	Change in lc
CIS & Baltics	800.0	826.1	(3%)	(4%)
EMEA	413.9	420.6	(2%)	(1%)
Latin America	100.6	87.3	15%	8%
Asia	164.8	146.0	13%	12%
Manufacturing	1.2	2.6	(54%)	(52%)
Other	8.8	11.1	(21%)	(22%)
Total sales	1,489.3	1,493.8	(0%)	(1%)

Adj. operating profit (€ Million)	3 months ended 31 December 2012	2011		12 months ended 31 December 2012	2011	Change
CIS & Baltics	39.8	41.8	(5%)	136.7	133.7	2%
EMEA	24.5	19.4	28%	62.4	61.1	2%
Latin America	2.5	1.8	37%	8.7	4.6	89%
Asia	4.1	5.6	(26%)	11.7	10.1	16%
Manufacturing	1.6	(0.8)	n.m	6.2	4.2	48%
Other	(16.3)	(15.6)	6%	(50.6)	(49.7)	3%
Total adj. operating profit	56.2	52.2	8%	175.1	164.1	7%

Sales Force (´000)	Average in the 3 months ended 31 December 2012	2011	Change	Average in the 12 months ended 31 December 2012	2011	Change
CIS & Baltics	1,628	1,938	(16%)	1,834	2,116	(13%)
EMEA	882	843	5%	894	861	4%
Latin America	181	167	8%	171	161	7%
Asia	477	445	7%	486	462	5%
Total	3,168	3.393	(7%)	3,385	3,599	(6%)

Sales Force (´000)	Closing at 31 December 2012	2011	Change
CIS & Baltics	1,768	2,067	(14%)
EMEA	960	904	6%
Latin America	174	161	7%
Asia	520	478	9%
Total	3,422	3,610	(5%)

Cash flow & investments

Strong

operating cash flow

Cash flow from operating activities in the fourth quarter amounted to €77.9m (€90.2m), which is a result of improved EBITDA more than offset by overall less positive impact from working capital components, most notably inventory and receivables compared to last year. Cash flow used in investing activities amounted to €-21.7m (€-19.6m).

The full year cash flow from operating activities increased by 36 percent to €183.7m (€135.3m) and cash flow used in investing activities amounted to €70.7m (€49.4m).

Financial position

Net interest-bearing debt amounted to €214.0m compared to €232.9m at the end of 2012. The net debt/EBITDA ratio was 1.0 (1.3) and interest cover amounted to 16.2 (7.7) in the fourth quarter 2012 and to 9.7 (6.1) during the last twelve months.

Net interest-bearing debt at hedged values amounted to €179.2m (€195.1m). The net debt at hedged values/EBITDA ratio was 0.9 (1.1).

Related parties

There have been no significant changes in the relationships or transactions with related parties compared with the information given in the Annual Report 2011.

Dividend

Oriflame's Board of Directors will propose a dividend for 2012 of €1.75 per share (€1.75), payable after the AGM to be held on 21 May 2013.

As from the dividend on 2013 profits, payable in 2014, the Board of Directors intends to, in the year-end report 2013, propose a dividend to be determined by the AGM in May 2014 and to be paid out in four instalments in order to optimise the balance sheet over the year.

Personnel

The execution of key initiatives in the global supply chain and administrative functions as well as increased use of online tools have led to further productivity improvements. This is reflected in the decrease of average number of full-time equivalent employees to 7,481 (7,628) in the fourth quarter and to 7,465 (7,898) during the last twelve months.

Annual Report

The annual report will be published on the company's website on or about 16 April 2013.

Annual General Meeting

Oriflame Cosmetics S.A. will hold its 2013 Annual General Meeting (AGM) in Luxembourg on 21 May 2013 (note change of date from earlier communicated 20 May 2013).

Two additional persons have accepted to join the Nomination Committee. After the additions the Nomination Committee comprises:

Robert af Jochnick, representing the af Jochnick family
Per Hesselmark, Stichting af Jochnick Foundation
William von Mueffling, Cantillon Capital Management LLC
Pia Axelsson, Fjärde AP-fonden
Marianne Flink, Swedbank Robur

Sponsored Level 1 American Depositary Receipt (ADR) programme

The company is in the process of setting up a Sponsored Level 1 American Depositary Receipt (ADR) programme which is expected to be up and running on or about 19 February, 2013. Further communication will be done by the appointed depositary bank in due course.

First quarter update

The underlying sales growth in the first quarter 2013 to date is around 2% in local currency. The full quarter will be negatively impacted by the leap year in 2012 and due to early Easter holiday in 2013.

Operating margin comparables for the first quarter 2013 are more challenging compared to the rest of the year.

Long term targets

Oriflame Cosmetics aims to achieve local currency sales growth of approximately 10 percent per annum and an operating margin of 15 percent.

The business of the Group presents cyclical evolutions and is driven by a number of factors:

- Effectiveness of individual catalogues and product introductions
- Effectiveness and timing of recruitment programmes
- Timing of sales and marketing activities
- The number of effective sales days per quarter
- Currency effect on sales and results

Financial Calendar for 2013

- Annual Report will be published on Oriflame's website on or about 16 April
- First quarter report will be published on 25 April
- The 2013 Annual General Meeting will be held on 21 May (note change of date from earlier communicated 20 May)
- Second quarter report will be published on 15 August
- Third quarter report will be published on 12 November

Other

A Swedish translation is available on www.oriflame.com.

Conference call for the financial community

The company will host a conference call on Thursday, 14 February at 9.30 CET.

Participant access numbers:
Luxembourg: +352 208 806 03
Sweden: +46 (0)8 506 269 00
Switzerland: +41 (0)445 804 411
UK: +44 (0)207 750 9905
US: +1 631 886 53 78

Confirmation code: 546795#

The conference call will also be audio web cast in "listen-only" mode through Oriflame's website: **www.oriflame.com** or through **http://storm.zoomvisionmamato.com/player/oriflame/objects/80gnabjz/**

14 February 2013

Magnus Brännström
Chief Executive Officer

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Company registration no B.8835

Consolidated key figures

	3 months ended 31 December		12 months ended 31 December	
	2012	2011	2012	2011
Gross margin, %	73.3	65.7	70.7	67.9
EBITDA margin, %	15.6	12.4	13.7	12.2
Adj. operating margin, %	13.7	12.8[1]	11.8	11.0[1]
Return on:				
- operating capital, %	-	-	38.0	36.0
- capital employed, %	-	-	30.8	29.5
Net debt / EBITDA (LTM)	1.0	1.3	1.0	1.3
Interest cover	16.2	7.7	9.7	6.1
Average no. of full-time equivalent employees	7,481	7,628	7,465	7,898

1) Before restructuring costs.

Definitions

Operating capital
Total assets less cash and cash equivalents and non interest-bearing liabilities, including deferred tax liabilities.

Return on operating capital
Operating profit divided by average operating capital.

Capital employed
Total assets less non interest-bearing liabilities, including deferred tax liabilities.

Return on capital employed
Operating profit plus interest income divided by average capital employed.

Net interest-bearing debt
Interest-bearing debt excluding front fees less cash and cash equivalents.

Interest cover
Operating profit plus interest income divided by interest expenses and charges.

Net interest-bearing debt to EBITDA
Net interest-bearing debt divided by EBITDA.

EBITDA
Operating profit before financial items, taxes, depreciation, amortisation and share incentive plan.

Quarterly Figures

Financial summary *	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12
Sales, €m	321.6	408.7	395.7	373.6	309.4	410.6
Gross margin, %	67.5	65.7	70.1	69.9	69.0	73.3
EBITDA, €m	32.6	50.5	55.0	50.4	34.7	64.1
Adj. operating profit, €m	26.7	52.2	47.7	43.2	28.0	56.2
Adj. operating margin, %	8.3	12.8	12.0	11.6	9.1	13.7
Adj. net profit before income tax, €m	17.8	43.5	42.2	38.3	24.5	47.9
Adj. net profit, €m	15.1	35.0	34.5	31.3	18.4	37.2
Adj. EPS, diluted, €	0.26	0.61	0.61	0.55	0.32	0.65
Cash flow from op. activities, €m	(3.4)	90.2	58.1	29.3	18.4	77.9
Net interest-bearing debt, €m	292.4	232.9	174.8	288.0	276.9	214.0
Sales force, average, '000	3,435	3,393	3,604	3,572	3,154	3,168

Sales, €m	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12
CIS & Baltics	166.6	228.7	224.9	199.8	155.0	220.3
EMEA	93.3	115.0	103.8	103.5	86.5	120.1
Latin America	24.5	21.9	22.3	24.2	28.3	25.8
Asia	34.3	40.0	41.2	43.6	37.6	42.4
Manufacturing	0.3	0.2	0.7	0.2	0.2	0.1
Other	2.6	3.0	2.8	2.3	1.8	1.9
Oriflame	321.6	408.7	395.7	373.6	309.4	410.6

Adj. Operating Profit*, €m	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12
CIS & Baltics	25.0	41.8	39.2	34.3	23.4	39.8
EMEA	11.2	19.4	13.2	15.2	9.5	24.5
Latin America	2.2	1.8	1.3	2.0	2.9	2.5
Asia	1.8	5.6	2.7	3.4	1.5	4.1
Manufacturing	1.3	(0.8)	0.6	1.4	2.7	1.6
Other	(14.8)	(15.6)	(9.3)	(13.0)	(12.0)	(16.3)
Oriflame	26.7	52.2	47.7	43.2	28.0	56.2

Average Sales Force, '000	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12
CIS & Baltics	1,979	1,938	2,074	1,951	1,645	1,628
EMEA	831	843	899	926	855	882
Latin America	165	167	158	171	175	181
Asia	461	445	473	524	479	477
Oriflame	3,435	3,393	3,604	3,572	3,154	3,168

Adj. Operating Margin*, %	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12
CIS & Baltics	15.0	18.3	17.4	17.1	15.1	18.1
EMEA	12.0	16.8	12.7	14.7	11.0	20.4
Latin America	8.9	8.3	5.8	8.3	10.1	9.7
Asia	5.3	14.0	6.5	7.8	3.9	9.7
Oriflame	8.3	12.8	12.0	11.6	9.1	13.7

**) Adjusted figures for 2011 exclude restructuring costs.*

€ Sales Growth in %	Q3’11	Q4’11	Q1’12	Q2’12	Q3’12	Q4’12
CIS & Baltics	(11)	(12)	(2)	(0)	(7)	(4)
EMEA	3	(3)	(3)	(2)	(7)	4
Latin America	12	(2)	13	15	16	18
Asia	2	16	16	21	9	6
Oriflame	(4)	(7)	0	2	(4)	0

Cash Flow, €m	Q3’11	Q4’11	Q1’12	Q2’12	Q3’12	Q4’12
Operating cash flow	(3.4)	90.2	58.1	29.3	18.4	77.9
Cash flow used in investing activities	(13.0)	(19.6)	(12.2)	(20.6)	(16.2)	(21.7)

Condensed consolidated income statements

	3 months ended 31 December		12 months ended 31 December	
€'000	2012	2011	2012	2011
Sales	410,613	408,707	1,489,285	1,493,767
Cost of sales	(109,640)	(140,273)	(436,271)	(478,981)
Gross profit	**300,973**	**268,434**	**1,053,014**	**1,014,786**
Other income	14,764	14,649	55,904	56,739
Selling and marketing expenses	(176,412)	(169,018)	(644,147)	(649,059)
Provisions[1]	*(153)*	-	*(153)*	-
Administrative expenses	(83,100)	(65,605)	(289,652)	(264,312)
Impairment[2]	*(5,275)*	-	*(5,275)*	-
Operating profit	**56,225**	**48,460**	**175,119**	**158,154**
Analysis of operating profit:				
Adjusted operating profit	56,225	52,233	175,119	164,062
Restructuring	-	(3,773)	-	(5,908)
Operating profit	**56,225**	**48,460**	**175,119**	**158,154**
Financial income	9,394	13,574	21,557	33,594
Financial expenses	(17,671)	(22,266)	(43,782)	(69,934)
Net financing costs	**(8,277)**	**(8,692)**	**(22,225)**	**(36,340)**
Net profit before income tax	**47,948**	**39,768**	**152,894**	**121,814**
Total income tax expense	(10,706)	(8,556)	(31,442)	(21,994)
Net profit	**37,242**	**31,212**	**121,452**	**99,820**

1) UK bad debt provision and release of Kenya provision.
2) Impairment of goodwill.

	3 months ended 31 December		12 months ended 31 December	
€	2012	2011	2012	2011
Adj. EPS:				
- basic	0.65	0.61	2.13	1.86
- diluted	0.65	0.61	2.13	1.86
Weighted avg. number of shares outstanding:				
- basic	57,121,134	56,987,509	57,071,517	56,981,896
- diluted	57,121,134	56,987,509	57,071,517	56,981,896
Total number of shares outstanding:				
- basic	57,121,134	57,041,134	57,121,134	57,041,134
- diluted	57,121,134	57,041,134	57,121,134	57,041,134

Condensed consolidated statements of other comprehensive income

	3 months ended 31 December		12 months ended 31 December	
€'000	2012	2011	2012	2011
Net profit	**37,242**	**31,212**	**121,452**	**99,820**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Revaluation reserve	(269)	(177)	13	(853)
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	(2,766)	5,845	4,663	(11,565)
Effective portion of changes in fair value of cash flow hedges, net of tax	(1,701)	(1,836)	(1,661)	(1,853)
Total items that are or may be reclassified subsequently to profit or loss	**(4,467)**	**4,009**	**3,002**	**(13,418)**
Other comprehensive income for the period, net of tax	**(4,736)**	**3,832**	**3,015**	**(14,271)**
Total other comprehensive income for the period	**32,506**	**35,044**	**124,467**	**85,549**

Condensed consolidated statements of financial position

€'000	31 December, 2012	31 December, 2011
Assets		
Property, plant and equipment	251,584	201,959
Intangible assets	20,745	20,141
Investment property	999	1,071
Deferred tax assets	30,675	37,751
Other long-term receivables	1,605	2,086
Total non-current assets	**305,608**	**263,008**
Inventories	212,562	264,556
Trade and other receivables	84,808	75,172
Tax receivables	3,178	3,675
Prepaid expenses	44,375	44,939
Derivative financial assets	36,654	41,930
Cash and cash equivalents	106,246	137,040
Total current assets	**487,823**	**567,312**
Total assets	**793,431**	**830,320**
Equity		
Share capital	71,401	71,301
Reserves	(56,403)	(63,495)
Retained earnings	237,860	216,230
Total equity	**252,858**	**224,036**
Liabilities		
Interest-bearing loans	316,374	327,872
Other long-term non interest-bearing liabilities	3,173	536
Deferred income	527	510
Deferred tax liablilities	4,225	4,826
Total non-current liabilities	**324,299**	**333,744**
Current portion of interest-bearing loans	2,517	39,852
Trade and other payables	93,400	87,018
Tax payables	9,842	11,935
Accrued expenses	102,662	101,980
Derivative financial liabilities	4,235	5,120
Provisions	3,618	26,635
Total current liabilities	**216,274**	**272,540**
Total liabilities	**540,573**	**606,284**
Total equity and liabilities	**793,431**	**830,320**

Condensed consolidated statements of changes in equity

€'000 (Attributable to equity holders of the Company)	Share capital	Total reserves	Retained earnings	Total equity
At 1 January 2011	**71,225**	**(47,722)**	**201,880**	**225,383**
Net profit	-	-	99,820	99,820
Other comprehensive income				
Revaluation reserve	-	(853)	-	(853)
Foreign currency translation differences for foreign operations	-	(11,565)	-	(11,565)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	(1,853)	-	(1,853)
Total other comprehensive income for the period, net of income tax	**-**	**(14,271)**	**-**	**(14,271)**
Total comprehensive income for the period	**-**	**(14,271)**	**99,820**	**85,549**
Issuance of new shares	76	1,226	-	1,302
Share incentive plan	-	(2,728)	-	(2,728)
Dividends	-	-	(85,470)	(85,470)
At 31 December 2011	**71,301**	**(63,495)**	**216,230**	**224,036**
At 1 January 2012	**71,301**	**(63,495)**	**216,230**	**224,036**
Net profit	-	-	121,452	121,452
Other comprehensive income				
Revaluation reserve	-	13	-	13
Foreign currency translation differences for foreign operations	-	4,663	-	4,663
Effective portion of changes in fair value of cash flow hedges, net of tax	-	(1,661)	-	(1,661)
Total other comprehensive income for the period, net of income tax	**-**	**3,015**	**-**	**3,015**
Total comprehensive income for the period	**-**	**3,015**	**121,452**	**124,467**
Issuance of new shares	100	1,859	-	1,959
Share incentive plan	-	2,218	-	2,218
Dividends	-	-	(99,822)	(99,822)
At 31 December 2012	**71,401**	**(56,403)**	**237,860**	**252,858**

Condensed consolidated statements of cash flows

€'000	3 months ended 31 December 2012	3 months ended 31 December 2011	12 months ended 31 December 2012	12 months ended 31 December 2011
Operating activities				
Net profit before income tax	**47,948**	**39,768**	**152,894**	**121,814**
Adjustments for:				
Depreciation and impairment of property, plant and equipment	5,832	5,436	22,156	21,919
Amortisation of intangible assets	782	1,226	4,727	4,840
Change in fair value of borrowings and derivatives financial instruments	2,124	6,466	5,751	9,176
Impairment of goodwill	5,275	-	5,275	-
Deferred income	(65)	82	18	82
Share incentive plan	1,304	(4,587)	2,218	(2,728)
Unrealised exchange rate differences	9,774	(9,444)	(2,948)	3,088
Profit on disposal of property, plant and equipment	(29)	(536)	(136)	(606)
Financial income	(4,030)	(4,617)	(16,697)	(13,663)
Financial expenses	6,107	9,576	30,823	35,741
Operating profit before changes in working capital and provisions	**75,021**	**43,370**	**204,080**	**179,663**
Decrease/(increase) in trade and other receivables, prepaid expenses and derivative financial assets	2,321	22,885	(4,466)	(2,602)
Decrease in inventories	5,331	25,968	48,633	12,155
Increase/(decrease) in trade and other payables, accrued expenses and derivatives financial liabilities	15,909	5,100	1,869	(15,477)
(Decrease)/increase in provisions	(4,393)	4,374	(5,367)	4,289
Cash generated from operations	**94,189**	**101,697**	**244,749**	**178,028**
Interest received	4,115	4,301	16,797	10,263
Interest and bank charges paid	(8,782)	(10,326)	(33,867)	(30,912)
Income taxes paid	(11,614)	(5,463)	(44,018)	(22,117)
Cash flow from operating activities	**77,908**	**90,209**	**183,661**	**135,262**
Investing activities				
Proceeds on sale of property, plant and equipment, intangible assets and investment property	617	1,389	1,100	1,884
Purchases of property, plant, equipment	(18,933)	(18,810)	(66,032)	(46,727)
Purchases of intangible assets	(3,368)	(2,142)	(5,771)	(4,570)
Cash flow used in investing activities	**(21,684)**	**(19,563)**	**(70,703)**	**(49,413)**
Financing activities				
Proceeds from borrowings	55,112	25,271	103,093	530,818
Repayments of borrowings	(70,595)	(33 884)	(149,784)	(479,921)
Acquisition of subsidiary, net of cash acquired	-	-	(12)	-
Proceeds from issuance of new shares	10	(98)	1,906	1,302
(Decrease)/increase of finance lease liabilities	(11)	21	38	(4)
Dividends paid	104	(1)	(99,586)	(85,393)
Cash flow used in financing activities	**(15,380)**	**(8,691)**	**(144,345)**	**(33,198)**
Change in cash and cash equivalents	**40,844**	**61,955**	**(31,387)**	**52,651**
Cash and cash equivalents at the beginning of the period	66,057	73,305	136,940	86,033
Effect of exchange rate fluctuations on cash held	(730)	1,680	618	(1,744)
Cash and cash equivalents at the end of the period net of bank overdrafts	**106,171**	**136,940**	**106,171**	**136,940**

Notes to the condensed consolidated financial information of Oriflame Cosmetics S.A.

Note 1 • Status and principal activity

Oriflame Cosmetics S.A. ("OCSA" or the "Company") is a holding company incorporated in Luxembourg and registered at 24 Avenue Emile Reuter, L-2420 Luxembourg. The principal activity of the Company's subsidiaries is the direct sale of cosmetics. The condensed consolidated financial information of the Company as at and for the twelve months ended 31 December 2012 comprises the Company and its subsidiaries (together referred to as the "Group").

Note 2 • Basis of preparation and summary of significant accounting policies

Statement of compliance

The year-end condensed consolidated financial information (unaudited) have been prepared by management in accordance with the measurement and recognition principles of International Financial Reporting Standard (IFRS) as adopted by the European Union ("EU") and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011. The year-end condensed consolidated financial information was authorized for issue by the Directors on 13th February 2013.

Changes in accounting policies

The accounting policies applied by the Group in these year-end condensed consolidated financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2011 with the exception of new or revised standards endorsed by the EU, as explained below.

Other new or amended IFRS standards
The other new or amended IFRS standards, which became effective January 1, 2012, have had no material effect on the condensed consolidated financial information.

Changes in presentation

IAS 1 Presentation of Financial Statements
Amendment to IAS 1, Presentation of Financial Statements – Presentation of items of other comprehensive income was early adopted by the Group. As a result, the Group presents separately the items of other comprehensive income that would be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. Comparative figures have been presented accordingly.