



natural swedish cosmetics

Press release

3 October 2008

Oriflame issues trading update for Q3 and increases full year outlook

Group sales for the third quarter 2008 have developed strongly in most markets, and will be approximately 30% in Euro, implying even stronger sales growth in local currency. Sales growth for Russia was approximately 36% in local currency mainly due to strong recruitment.

Margins for the third quarter are expected to be slightly stronger than last year (8.6% before restructuring costs).

As a consequence, Oriflame is increasing its sales outlook for the year, which previously was to increase sales by above 15% in local currency. Sales growth for 2008 is now expected to be above 20% in local currency. The outlook that the operating margin is expected to improve despite the prevailing exchange rate environment remains unchanged.

As has been shown historically, Oriflame's quarterly results are affected by a number of factors such as the:

- 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

Oriflame Cosmetics SA is publishing its interim report for the period January – September on 22 October.

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Oriflame is an international cosmetics company selling direct, with sales in 61 countries. Oriflame offers a complete range of high quality skincare, fragrances, colour cosmetics, toiletries and accessories, marketed through a sales force of independent sales consultants. Although the company has grown rapidly it has never lost sight of its original business concept - natural Swedish cosmetics, sold from friend to friend. Oriflame is a co-founder of World Childhood Foundation. Oriflame Cosmetics is listed on the Nordic Exchange.