Year-end report 1 January – 31 December 2013

3 months ended 31 December 2013

- Local currency sales decreased by 1% and Euro sales decreased by 10% to €371.2m (€410.6m).
- Number of active consultants increased by 1% to 3.5m.
- EBITDA amounted to €52.0m (€64.1m).
- Adjusted* operating margin was 12.6% (13.7%) resulting in an adjusted operating profit of €46.8m (€56.2m).
- Adjusted* net profit amounted to €27.2m (€37.2m) and adjusted EPS amounted to €0.49 (€0.65).
- Cash flow from operating activities amounted to €63.7m (€77.9m).
- First quarter update: The underlying sales development in the first quarter to date is around -3% in local currency.

12 months ended 31 December 2013

- Local currency sales decreased by 1% and Euro sales decreased by 6% to €1,406.7m (€1,489.3m).
- EBITDA amounted to €166.5m (€204.2m).
- Adjusted* operating margin was 10.1% (11.8%) resulting in an adjusted operating profit of €142.4m (€175.1m).
- Adjusted* net profit amounted to €84.4m (€121.5m) and adjusted EPS amounted to €1.52 (€2.13).
- Cash flow from operating activities amounted to €112.1m (€183.7m).
- The Board of Directors will propose a total dividend for 2013 of €1.00 (€1.75) per share, corresponding to 71 percent of net profit, as previously communicated paid in quarterly instalments, with the first payment amounting to €0.25 per share payable following the AGM on 19 May 2014.

* Adjusted for restructuring costs during the quarter €2.2m, on YTD €5.8m

CEO Magnus Brännström comments

"During the fourth quarter, CIS and Europe underperformed. The revised Success Plan introduced in the CIS region last year has not yet resulted in desired effects, and thus after evaluating the first phase further improvements will be introduced during the spring. In addition, strong currency headwind is impacting sales and profit negatively and Ukraine continues to be a challenge fuelled by the recent development in the country.

Looking at the operations, I feel confident about the new product launch plan, the development of our online business and the upcoming improvements in our sales and recruitment activities. I am also pleased to see that our measures to drive efficiency are progressing well in line with plan.

Importantly, our key growth markets in Asia, Latin America and Africa continue to perform very well, representing around 30% of total sales with growth of approximately 20%. Further geographical expansion is continuing."

Sales and earnings

FINANCIAL SUMMARY (€ Million)	3 months ended 31 December 2013[1]	2012	Change	12 months ended 31 December 2013[2]	2012	Change
Sales	371.2	410.6	(10%)	1,406.7	1,489.3	(6%)
Gross margin, %	70.5	73.3		70.1	70.7	
EBITDA	52.0	64.1	(19%)	166.5	204.2	(18%)
Adj. operating profit	46.8	56.2	(17%)	142.4	175.1	(19%)
Adj. operating margin, %	12.6	13.7		10.1	11.8	
Adj. net profit before tax	38.0	47.9	(21%)	112.8	152.9	(26%)
Adj. net profit	27.2	37.2	(27%)	84.4	121.5	(31%)
Adj. EPS, €	0.49	0.65	(25%)	1.52	2.13	(29%)
Cash flow from operating activities	63.7	77.9	(18%)	112.1	183.7	(39%)
Net interest-bearing debt	275.9	214.0	29%	275.9	214.0	29%
Net interest-bearing debt at hedged values	263.3	179.2	47%	263.3	179.2	47%
Active consultants*, ‘000	3,460	3,422	1%	3,460	3,422	1%

[1]Adjusted for restructuring costs of €2.2m
[2]Adjusted for restructuring costs of €5.8m

+1 %
Active consultants

12.6%
Adj. operating margin

-350 bps currency effect largely offset by underlying improvements

Three months ended 31 December 2013

Sales in local currencies decreased by 1% and Euro sales amounted to €371.2m compared to €410.6m in the same period prior year. Sales development in local currencies was impacted by a 2% decrease in productivity while the number of active consultants in the quarter increased by 1% to 3.5m (3.4m).
Unit sales were down by 6%, largely offset by a positive price/mix effect of 5%.

Local currency sales increased by 19% in Asia and 27% in Latin America while CIS & Baltics decreased by 7% and EMEA by 4%.

The gross margin was 70.5% (73.3%) and the adjusted operating margin (adjusted for €2.2m in restructuring cost) amounted to 12.6% (13.7%). The gross margin variance compared to prior year was primarily driven by negative currency movements partly offset by price increases. Prior year gross margin was positively impacted by the release of inventory provisions. The margin effect from consultant price increases related to the improved CIS Success Plan was offset by the corresponding increase in selling expenses. Adjusted operating margin was also affected by a positive development in indirect spend. Among the drivers of this improvement were some initial positive effects from restructuring and efficiency measures as well as lower staff bonus provisions. Furthermore the comparable period last year was impacted by €5.4m impairment and write downs of the business in East Africa and UK. Currency movements had approximately 350 bps negative effect on the operating margin.

Adjusted net profit amounted to €27.2m (€37.2m) and adjusted earnings per share amounted to €0.49 (€0.65). The tax rate was impacted by the losses on exchange, revaluation of deferred tax assets as well as the restructuring charge.

Cash flow from operating activities was €63.7m (€77.9m), negatively affected by lower EBITDA.

The average number of full-time equivalent employees was 7,366 (7,481).

Twelve months ended 31 December 2013

Sales in local currencies decreased by 1% and Euro sales amounted to €1,406.7m compared to €1,489.3m in the same period prior year.

Sales development in local currencies was the result of a 1% increase in the number of active consultants and a 2% decrease in productivity.

Gross margin amounted to 70.1% (70.7%) and adjusted operating margin was 10.1% (11.8%). Margins were negatively impacted by currency movements and negative leverage. This was partly offset by positive price/mix effects.

Adjusted net profit amounted to €84.4m (€121.5m) and adjusted earnings per share to €1.52 (€2.13). The result was affected by net financing costs of

€29.6m compared to €22.2m last year, mainly an effect of higher net losses on currency exchange. The tax rate was impacted by the losses on exchange as well as the restructuring charge.

Cash flow from operating activities amounted to €112.1m (€183.7m), as a result of lower EBITDA and an increase in working capital while working capital decreased in the same period last year.

* As earlier communicated, Oriflame is from the first quarter 2013 reporting 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*. Active consultants is also the measure used for productivity calculations.

Operational highlights

Brand and Innovation

Within the Skin Care category the relaunch of *Ecollagen*, with a new revolutionary technology for collagen boost, showed great results.

A major launch in the Color Cosmetics category was *Lash Panorama Mascara* under the Giordani Gold brand which performed very well in most regions.

The Fragrances category launched among other *My Red*, a female fragrance endorsed by Demi Moore. Oriflame also launched *Sir Avebury*, a new brand inspired by the elegance of English aristocracy.

Accessories reported strong growth, including a successful launch of the cross category *Fairy City Collection*.

Wellness continued to strengthen its offering with the launch of *Botanical Infusion Relax.*

For the twelve months ended 31 December 2013 the total net sales were split among the categories according to the table below:

PRODUCT CATEGORY	12 months ended 31 December 2013	2012
Colour Cosmetics	24%	24%
Skin Care	21%	22%
Personal and Hair Care	20%	20%
Fragrances	20%	20%
Accessories	10%	9%
Wellness	5%	5%

Online

The number of visitors to Oriflame's websites continues to increase partly driven by intensified marketing efforts on social media platforms in order to generate awareness and leads. Focus during the quarter remained on roll-out of sales, recruitment and monitoring tools for Oriflame Consultants through the launch of a planning module allowing high level Consultants to plan their business online together with their sales management, as well as an additional e-learning module.

To manage future growth and increased focus on digital channels, development of a new global internet platform has started. The new platform is planned to be operational during 2014.

Following the pilot launches enabling Oriflame Consultants to invite online customers to shop directly from the Oriflame site in Sweden, Norway and parts of Russia, plans are now in place to continue global roll-out.

Online highlights for the quarter:

- More than 90% of total orders are being placed online
- More than 4 million followers on the company's global Facebook pages
- 12 million unique visitors on Oriflame websites with an average visit duration of 17 minutes

Service

Leveraging the benefits from the enhanced planning systems, the continuous process improvements, the lead-time reduction initiatives, the consolidation of inventory in Europe and the regional product sourcing initiatives, Oriflame managed to further increase its service levels during the quarter in both mature and growth markets. At the same time, inventory levels both in unit and financial terms were reduced compared to the same quarter last year. During November and December, the agility of the Oriflame supply chain was put on a test after the main warehouse in India burned down and the inventory was totally destroyed. Despite the fire, the service levels in India were maintained at the highest levels thanks to a rapidly implemented disaster recovery plan.

The new Group Distribution Centre (GDC) in Noginsk, outside Moscow, has successfully passed the important capacity and performance tests during the peak Christmas catalogues in November and December. The GDC is now covering the planned one-third of the total Russian volumes. An extension of the territorial scope of the GDC is being assessed. The two Central European GDCs in Warsaw and in Budapest have also completed the integration of the markets included in the original scope. The addition of further markets is being evaluated for these two GDCs. In the meantime, all the four GDCs are focusing on improved and optimized processes to achieve even better service to the Oriflame Consultants and customers as well as higher efficiency.

The construction works in Noginsk are now focused on completing the production installations. The installation works for the utilities will be progressing into mid 2014, in parallel to the production installation works, to enable commissioning of the factory building after the summer. LEED certification is also being pursued.

The refurbishment works of the new Wellness production site in Roorkee, India, started in September. The factory is scheduled to be ready for production in the second half of the year. LEED certification is also being pursued. The first products will be available to the market towards the end of 2014.

CIS & Baltics

Key figures

	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13[2]
Sales, €m	220.3	207.9	176.7	137.8	184.8
Sales growth in €	(4%)	(8%)	(12%)	(11%)	(16%)
Sales growth in lc	(7%)	(6%)	(8%)	(3%)	(7%)
Adj. op profit, €m[1]	39.8	33.1	25.4	19.0	27.8
Adj. op margin	18.1%	15.9%	14.4%	13.7%	15.0%
Active consultants, '000	1,768	1,926	1,737	1,411	1,679

[1]Excludes costs accounted for in the segments Manufacturing and Other.
This is in line with prior years.
[2]Adjusted for restructuring costs of €0.3m

Countries

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

Development

-5%

Local currency sales in Russia

Local currency sales in the fourth quarter decreased by 7% as a result of a 5% decrease in the number of active consultants and 2% decrease in productivity compared to prior year. Euro sales were down by 16% to €184.8m (€220.3m). Local currency sales in Russia decreased by 5% in the quarter.

The overall development is unsatisfactory, and further improvements to the Success Plan will be introduced during the spring. Ukraine continues to be a major challenge escalated by recent developments in the country.

Adjusted operating profit amounted to €27.8m (€39.8m) and adjusted operating margin decreased to 15.0% (18.1%). Margins were negatively affected by exchange rate movements and loss of leverage.

EMEA

Key figures

	Q4'12	Q1'13	Q2'13	Q3'13[2]	Q4'13
Sales, €m	120.1	100.1	97.6	83.6	110.9
Sales growth in €	4%	(4%)	(6%)	(3%)	(8%)
Sales growth in lc	3%	(3%)	(4%)	0%	(4%)
Adj. op profit, €m[1]	24.5	13.1	14.9	10.5	22.8
Adj. op margin	20.4%	13.1%	15.2%	12.6%	20.6%
Active consultants, '000	960	962	924	797	946

[1]Excludes costs accounted for in the segments Manufacturing and Other.
This is in line with prior years.
[2]Adjusted for restructuring costs of €0.5m

Countries

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

Development

-4%

Local currency sales

Local currency sales in the fourth quarter decreased by 4%, a result of a 2% decrease in active consultants and a 2% productivity decrease. Euro sales were down by 8% to €110.9m (€120.1m). Sales were weak in several of the large Central European markets while development in Africa continued to be strong. Southern Europe is beginning to show signs of stabilization. Adjusted operating margin was stable at 20.6% (20.4%) and the adjusted operating profit was €22.8m (€24.5m).

Latin America

Key figures

	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13
Sales, €m	25.8	24.8	29.9	31.2	30.2
Sales growth in €	18%	11%	24%	10%	17%
Sales growth in lc	7%	10%	21%	19%	27%
Op profit, €m[1]	2.5	2.1	4.1	5.1	4.1
Op margin	9.7%	8.4%	13.6%	16.3%	13.5%
Active consultants, '000	174	176	195	224	223

¹ Excludes costs accounted for in the segments Manufacturing and Other.
This is in line with prior years.

Countries

Chile, Colombia, Ecuador, Mexico, Peru.

Development

Strong quarter (and year) in all markets

Local currency sales in the fourth quarter increased by 27%, as a result of a 29% increase in the number of active consultants and a decrease in productivity of 2%. Euro sales increased by 17% to €30.2m (€25.8m). All markets had strong growth.

Operating profit increased to €4.1m (€2.5m) resulting in an operating margin of 13.5% (9.7%). The margin improvement was driven by a higher gross margin and leverage on overheads.

Asia

Key figures

	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13
Sales, €m	42.4	45.9	52.5	39.6	42.3
Sales growth in €	6%	11%	20%	5%	0%
Sales growth in lc	7%	22%	26%	21%	19%
Op profit, €m[1]	4.1	1.8	5.4	1.7	4.5
Op margin	9.7%	4.0%	10.3%	4.2%	10.6%
Active consultants, '000	520	617	606	566	612

¹ Excludes costs accounted for in the segments Manufacturing and Other.
This is in line with prior years.

Countries

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

Development

+19%

Local currency sales

Fourth quarter sales growth in local currencies was 19% as a result of an 18% increase in the number of active consultants and 1% increase in productivity. Sales growth was particularly strong in Indonesia and India. Euro sales were stable at €42.3m (€42.4m).

Operating margin amounted to 10.6% (9.7%), mainly a result of improved leverage partly offset by the negative impact from exchange rates.

Operating profit was €4.5m (€4.1 m).

Sales, operating profit and consultants by region

Sales (€ Million)	3 months ended 31 December 2013	2012	Change in Euro	Change in lc
CIS & Baltics	184.8	220.3	(16%)	(7%)
EMEA	110.9	120.1	(8%)	(4%)
Latin America	30.2	25.8	17%	27%
Asia	42.3	42.4	0%	19%
Manufacturing	0.1	0.1	92%	101%
Other	2.9	1.9	50%	(1%)
Total sales	**371.2**	**410.6**	**(10%)**	**(1%)**

Sales (€ Million)	12 months ended 31 December 2013	2012	Change in Euro	Change in lc
CIS & Baltics	707.2	800.0	(12%)	(7%)
EMEA	392.1	413.9	(5%)	(3%)
Latin America	116.1	100.6	15%	19%
Asia	180.3	164.8	9%	21%
Manufacturing	2.1	1.2	78%	80%
Other	8.9	8.8	1%	(13%)
Total sales	**1,406.7**	**1,489.3**	**(6%)**	**(1%)**

Adj. operating profit (€ Million)	3 months ended 31 December 2013	2012		12 months ended 31 December 2013	2012	Change
CIS & Baltics	27.8	39.8	(30%)	105.2	136.7	(23%)
EMEA	22.8	24.5	(7%)	61.4	62.4	(2%)
Latin America	4.1	2.5	63%	15.3	8.7	77%
Asia	4.5	4.1	9%	13.4	11.7	15%
Manufacturing	1.7	1.6	11%	10.7	6.2	73%
Other	(14.1)	(16.3)	(13%)	(63.6)	(50.6)	26%
Total adj. operating profit	**46.8**	**56.2**	**(17%)**	**142.4**	**175.1**	**(19%)**

Active consultants (‘000)	31 December 2013	2012	Change
CIS & Baltics	1,679	1,768	(5%)
EMEA	946	960	(1%)
Latin America	223	174	29%
Asia	612	520	18%
Total	**3,460**	**3,422**	**1%**

Cash flow & investments

€63.7m in operating cash flow

Cash flow from operating activities in the fourth quarter amounted to €63.7m (€77.9m) mainly as a result of lower operating profit. Cash flow used in investing activities amounted to €-15.7m (€-21.7m).

The full year cash flow from operating activities amounted to €112.1m (€183.7m) and cash flow used in investing activities amounted to €-53.0m (€-70.7m).

Financial position

Net interest-bearing debt amounted to €275.9m compared to €214.0m at the end of 2012. The net debt/EBITDA ratio was 1.7 (1.0) and interest cover amounted to 10.4 (16.2) in the fourth quarter 2013 and to 7.6 (9.7) during the last twelve months.

Net interest-bearing debt at hedged values amounted to €263.3m (€179.2m). The net debt at hedged values/EBITDA ratio was 1.6 (0.9).

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 2012.

Dividend

Oriflame has a long history of high level of dividend. At the same time, Oriflame Board of Directors is committed to return to growth and invest further in the business. With the current development and prevailing currency exchange rates, the Board acknowledges that there is a need for restraint in this year's dividend payout. As a consequence, the Board will propose a dividend for 2013 of €1.00 (€1.75) per share, corresponding to 71 percent of net profit, paid out in equal quarterly instalments. The first payment is proposed to amount to €0.25 per share to be paid following the AGM on 19 May 2014.

Annual Report

The annual report will be published on the company's website on or about 11 April 2014.

Annual General Meeting

Oriflame Cosmetics S.A. will hold its 2014 Annual General Meeting (AGM) in Luxembourg on 19 May 2014.

The Nomination Committee comprises:

Robert af Jochnick, representing the af Jochnick family
Per Hesselmark, Stitching af Jochnick Foundation
Hans Ek, representing SEB Investment Management AB

Personnel

The average number of full-time equivalent employees amounted to 7,366 (7,481) in the fourth quarter and to 7,340 (7,465) during the last twelve months.

New structure of segment reporting

From the first quarter of 2014, Oriflame will change its segment reporting to the following structure of Global Business Areas (GBA):

1. Latin America
2. Europe (including Baltic countries)
3. CIS (excluding Baltic countries)
4. Turkey, Africa & Asia
5. Manufacturing
6. Other

The revised geographical split in 1 through 4 above should be more relevant in terms of better reflecting common challenges, opportunities and development. In general terms, Latin America and Turkey, Africa & Asia can be said to represent the main current and future growth markets whereas Europe and CIS are more mature in nature.

For comparability the numbers in the press release will be restated for the last six quarters. Pro forma figures will be published on Oriflame's corporate website ahead of the publication of the first quarter report.

Alignment of legal structure

As announced in April 2013, the Oriflame Group is currently in a process of simplifying its corporate structure and improving its operational efficiencies by aligning its legal structure with the Group operations and to enable a change of domicile from Luxembourg to Switzerland within the next few years. An approval for the first step of this process will be sought at a separate Extraordinary General Meeting (EGM) planned to be held in conjunction with the Annual General Meeting to be held on 19 May 2014. A notice to the EGM with further details will be published at least 30 days in advance of such EGM.

First quarter update

The underlying sales development in the first quarter 2014 to date is approximately -3% in local currency.

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 2014

- First quarter report will be published on 7 May (date changed)
- The 2014 Annual General Meeting will be held on 19 May
- The Annual Report will be published on Oriflame's website on or about 11 April
- Second quarter report will be published on 14 August
- Third quarter report will be published on 7 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 Friday, 14 February at 09.30 CET.

Participant access numbers:
Luxembourg: +352 2 786 0202
Sweden: +46 (0)8 506 443 86
Switzerland: +41 44 580 65 22
UK: +44 20 7153 9154
US: +1 877 423 0830

Confirmation code: 973258#
The conference call will also be audio web cast in "listen-only" mode through Oriflame's website: **www.oriflame.com** or through **http://www.media-server.com/m/p/gedyetka**

14 February 2014

Magnus Brännström
Chief Executive Officer

For further information, please contact:

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www.oriflame.com
Company registration no B.8835

Consolidated key figures

	3 months ended 31 December		12 months ended 31 December	
	2013	2012	2013	2012
Gross margin, %	70.5	73.3	70.1	70.7
EBITDA margin, %	14.0	15.6	11.8	13.7
Adj. operating margin, %	12.6	13.7	10.1	11.8
Return on:				
- operating capital, %	-	-	29.8	38.0
- capital employed, %	-	-	25.4	30.8
Net debt / EBITDA (LTM)	1.7	1.0	1.7	1.0
Interest cover	10.4	16.2	7.6	9.7
Average no. of full-time equivalent employees	7,366	7,481	7,340	7,465

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	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13[1]	Q4'13[2]
Sales, €m	309.4	410.6	381.3	359.7	294.6	371.2
Gross margin, %	69.0	73.3	69.6	70.7	69.6	70.5
EBITDA, €m	34.7	64.1	45.2	42.2	26.9	52.0
Adj. operating profit, €m	28.0	56.2	38.0	34.5	23.1	46.8
Adj. operating margin, %	9.1	13.7	10.0	9.6	7.8	12.6
Adj. net profit before income tax, €m	24.5	47.9	36.5	25.2	13.1	38.0
Adj. net profit, €m	18.4	37.2	28.0	19.9	9.4	27.2
Adj. EPS, diluted €	0.32	0.65	0.50	0.36	0.17	0.49
Cash flow from op. activities, €m	18.4	77.9	28.4	29.3	(9.3)	63.7
Net interest-bearing debt, €m	276.9	214.0	236.9	314.9	330.5	275.9
Active consultants, '000	2,934	3,422	3,681	3,462	2,998	3,460

Sales, €m	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13
CIS & Baltics	155.0	220.3	207.9	176.7	137.8	184.8
EMEA	86.5	120.1	100.1	97.6	83.6	110.9
Latin America	28.3	25.8	24.8	29.9	31.2	30.2
Asia	37.6	42.4	45.9	52.5	39.6	42.3
Manufacturing	0.2	0.1	0.9	0.8	0.3	0.1
Other	1.8	1.9	1.6	2.3	2.1	2.9
Oriflame	**309.4**	**410.6**	**381.3**	**359.7**	**294.6**	**371.2**

Adj. operating Profit, €m	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13
CIS & Baltics	23.4	39.8	33.1	25.4	19.0	27.8
EMEA	9.5	24.5	13.1	14.9	10.5	22.8
Latin America	2.9	2.5	2.1	4.1	5.1	4.1
Asia	1.5	4.1	1.8	5.4	1.7	4.5
Manufacturing	2.7	1.6	3.2	2.8	2.9	1.7
Other	(12.0)	(16.3)	(15.3)	(18.1)	(16.1)	(14.1)
Oriflame	**28.0**	**56.2**	**38.0**	**34.5**	**23.1**[1]	**46.8**[2]

Active consultants, '000	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13
CIS & Baltics	1,486	1,768	1,926	1,737	1,411	1,679
EMEA	798	960	962	924	797	946
Latin America	181	174	176	195	224	223
Asia	469	520	617	606	566	612
Oriflame	**2,934**	**3,422**	**3,681**	**3,462**	**2,998**	**3,460**

Adj. operating Margin, %	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13
CIS & Baltics	15.1	18.1	15.9	14.4	13.7	15.0
EMEA	11.0	20.4	13.1	15.2	12.6[3]	21.0
Latin America	10.1	9.7	8.4	13.6	16.3	13.5
Asia	3.9	9.7	4.0	10.3	4.2	10.6
Oriflame	**9.1**	**13.7**	**10.0**	**9.6**	**7.8**[1]	**12.6**[2]

[1] *Adjusted for restructuring costs of €3.6m*
[2] *Adjusted for restructuring costs of €5.8m*

€ Sales Growth in %	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13
CIS & Baltics	(7)	(4)	(8)	(12)	(11)	(16)
EMEA	(7)	4	(4)	(6)	(3)	(8)
Latin America	16	18	11	24	10	17
Asia	9	6	11	20	5	0
Oriflame	(4)	0	(4)	(4)	(5)	(10)

Cash Flow, €m	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13
Operating cash flow	18.4	77.9	28.4	29.3	(9.3)	63.7
Cash flow used in investing activities	(16.2)	(21.7)	(7.3)	(16.9)	(13.1)	(15.7)

Condensed consolidated income statements

€'000	3 months ended 31 December 2013	3 months ended 31 December 2012	12 months ended 31 December 2013	12 months ended 31 December 2012
Sales	371,185	410,613	1,406,721	1,489,285
Cost of sales	(109,586)	(109,640)	(420,291)	(436,271)
Gross profit	**261,599**	**300,973**	**986,430**	**1,053,014**
Other income	13,064	14,764	51,811	55,904
Selling and marketing expenses	(136,031)	(150,764)	(525,847)	(550,739)
Distribution and infrastructure	(28,006)	(33,363)	(114,724)	(123,678)
Administrative expenses	(65,938)	(75,385)	(261,062)	(259,382)
Operating profit	**44,688**	**56,225**	**136,608**	**175,119**
Analysis of operating profit:				
Adjusted operating profit	46,838	56,225	142,394	175,119
Restructuring	(2,150)	-	(5,786)	-
Operating profit	**44,688**	**56,225**	**136,608**	**175,119**
Financial income	10,031	9,394	38,959	21,557
Financial expenses	(18,882)	(17,671)	(68,538)	(43,782)
Net financing costs	**(8,851)**	**(8,277)**	**(29,579)**	**(22,225)**
Net profit before income tax	**35,837**	**47,948**	**107,029**	**152,894**
Total income tax expense	(10,802)	(10,706)	(28,386)	(31,442)
Net profit	**25,035**	**37,242**	**78,643**	**121,452**

€	3 months ended 31 December 2013	3 months ended 31 December 2012	12 months ended 31 December 2013	12 months ended 31 December 2012
Adj. EPS:				
- basic	0.49	0.65	1.52	2.13
- diluted	0.49	0.65	1.52	2.13
Weighted avg. number of shares outstanding:				
- basic	55,600,653	57,121,134	55,722,934	57,071,517
- diluted	55,600,653	57,121,134	55,722,934	57,071,517
Total number of shares outstanding:				
- basic	55,600,653	57,121,134	55,600,653	57,121,134
- diluted	55,600,653	57,121,134	55,600,653	57,121,134

Condensed consolidated statements of other comprehensive income

€'000	3 months ended 31 December 2013	3 months ended 31 December 2012	12 months ended 31 December 2013	12 months ended 31 December 2012
Net profit	**25,035**	**37,242**	**78,643**	**121,452**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Revaluation reserve	(182)	(269)	(454)	13
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	(5,802)	(2,766)	(24,797)	4,663
Effective portion of changes in fair value of cash flow hedges, net of tax	97	(1,701)	(261)	(1,661)
Total items that are or may be reclassified subsequently to profit or loss	**(5,705)**	**(4,467)**	**(25,058)**	**3,002**
Other comprehensive income for the period, net of tax	**(5,887)**	**(4,736)**	**(25,512)**	**3,015**
Total other comprehensive income for the period	**19,148**	**32,506**	**53,131**	**124,467**

Condensed consolidated statements of financial position

€'000	31 December, 2013	31 December, 2012
Assets		
Property, plant and equipment	254,537	251,584
Intangible assets	20,802	20,745
Investment property	928	999
Deferred tax assets	26,614	30,675
Other long-term receivables	1,129	1,605
Total non-current assets	**304,010**	**305,608**
Inventories	196,876	212,562
Trade and other receivables	83,597	84,808
Tax receivables	2,894	3,178
Prepaid expenses	53,412	44,375
Derivative financial assets	18,973	36,654
Cash and cash equivalents	107,336	106,246
Total current assets	**463,088**	**487,823**
Total assets	**767,098**	**793,431**
Equity		
Share capital	71,517	71,401
Treasury shares	(41,235)	-
Reserves	(84,458)	(56,403)
Retained earnings	222,379	237,860
Total equity	**168,203**	**252,858**
Liabilities		
Interest-bearing loans	379,672	316,374
Other long-term non interest-bearing liabilities	2,592	3,173
Deferred income	406	527
Deferred tax liablilities	4,621	4,225
Total non-current liabilities	**387,291**	**324,299**
Current portion of interest-bearing loans	2,744	2,517
Trade and other payables	82,357	93,400
Deferred Income	3,148	-
Tax payables	10,878	9,842
Accrued expenses	98,082	102,662
Derivative financial liabilities	6,440	4,235
Provisions	7,955	3,618
Total current liabilities	**211,604**	**216,274**
Total liabilities	**598,895**	**540,573**
Total equity and liabilities	**767,098**	**793,431**

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 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**
At 1 January 2013	**71,401**	**(56,403)**	**237,860**	**252,858**
Net profit	-	-	78,643	78,643
Other comprehensive income				
Revaluation reserve	-	(454)	-	(454)
Foreign currency translation differences for foreign operations	-	(24,797)	-	(24,797)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	(261)	-	(261)
Total other comprehensive income for the period, net of income tax	**-**	**(25,512)**	**-**	**(25,512)**
Total comprehensive income for the period	**-**	**(25,512)**	**78,643**	**53,131**
Issuance of new shares	116	132	-	248
Share incentive plan	-	340	-	340
Share incentive plan 2010 (release)	-	(3,015)	3,015	-
Dividends	-	-	(97,139)	(97,139)
Purchase of treasury shares	-	(41,235)	-	(41,235)
At 31 December 2013	**71,517**	**(125,693)**	**222,379**	**168,203**

Condensed consolidated statements of cash flows

€'000	3 months ended 31 December 2013	3 months ended 31 December 2012	12 months ended 31 December 2013	12 months ended 31 December 2012
Operating activities				
Net profit before income tax	**35,837**	**47,948**	**107,029**	**152,894**
Adjustments for:				
Depreciation and impairment of property, plant and equipment	6,975	5,832	24,952	22,156
Amortisation of intangible assets	1,253	782	4,527	4,727
Change in fair value of borrowings and derivatives financial instruments	1,167	2,124	(2,372)	5,751
Impairment of goodwill	-	5,275	-	5,275
Deferred income	3,060	(65)	3,032	18
Share incentive plan	(974)	1,304	340	2,218
Unrealised exchange rate differences	4,826	9,774	14,945	(2,948)
Profit on disposal of property, plant and equipment, intangible assets and investment property	(963)	(29)	(1,036)	(136)
Financial income	(4,042)	(4,030)	(16,387)	(16,698)
Financial expenses	7,080	6,107	29,336	30,822
Operating profit before changes in working capital and provisions	**54,219**	**75,021**	**164,366**	**204,079**
(Increase)/decrease in trade and other receivables, prepaid expenses and derivative financial assets	(2,265)	2,321	(17,015)	(4,466)
(Increase)/decrease in inventories	(1,413)	5,331	(1,141)	48,633
Increase/(decrease) in trade and other payables, accrued expenses and derivatives financial liabilities	18,736	15,909	(2,572)	1,869
Increase/(decrease) in provisions	2,961	(4,393)	4,666	(5,367)
Cash generated from operations	**72,238**	**94,189**	**148,304**	**244,748**
Interest received	4,084	4,115	16,605	16,797
Interest and bank charges paid	(7,878)	(8,782)	(30,141)	(33,867)
Income taxes paid	(4,753)	(11,614)	(22,637)	(44,018)
Cash flow from operating activities	**63,691**	**77,908**	**112,131**	**183,660**
Investing activities				
Proceeds on sale of property, plant and equipment, intangible assets and investment property	1,096	617	1,473	571
Purchases of property, plant and equipment, and investment property	(14,110)	(18,933)	(49,769)	(66,032)
Purchases of intangible assets	(2,657)	(3,368)	(4,688)	(5,241)
Cash flow used in investing activities	**(15,671)**	**(21,684)**	**(52,984)**	**(70,702)**
Financing activities				
Proceeds from borrowings	125,014	55,112	401,302	103,094
Repayments of borrowings	(135,469)	(70,595)	(316,396)	(149,785)
Acquisition of subsidiary, net of cash acquired	-	-	-	(12)
Proceeds from issuance of new shares	-	10	278	1,906
Acquisition of own shares	-	-	(41,235)	-
(Decrease)/increase of finance lease liabilities	(10)	(11)	(12)	38
Dividends paid	(3)	104	(97,081)	(99,586)
Cash flow used in financing activities	**(10,468)**	**(15,380)**	**(53,144)**	**(144,345)**
Change in cash and cash equivalents	**37,552**	**40,844**	**6,003**	**(31,387)**
Cash and cash equivalents at the beginning of the period	70,602	66,057	106,171	136,940
Effect of exchange rate fluctuations on cash held	(1,366)	(730)	(5,386)	618
Cash and cash equivalents at the end of the period net of bank overdrafts	**106,788**	**106,171**	**106,788**	**106,171**

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 2013 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) has 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 2012. The year-end condensed consolidated financial information was authorised for issue by the Directors on 13 February 2014.

Changes in accounting policies

The accounting policies applied by the Group in this 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 2012 with the exception of new or revised standards endorsed by the EU, as explained below.

Other new or amended IFRS standards

The amendment on IAS 36 on the disclosure of the recoverable amount for non-financial assets has been adopted early .

The other new or amended IFRS standards, which became effective January 1, 2013, have had no material effect on the condensed consolidated financial information