

Interim report 1 January – 30 September 2015

Three months ended 30 September 2015

- Local currency sales increased by 4% and Euro sales decreased by 4% to €263.2m (€274.5m).
- Number of active consultants decreased by 5% to 2.8m.
- EBITDA amounted to €25.1m (€26.3m).
- Operating margin was 7.3% (7.2%), resulting in an operating profit of €19.1m (€19.7m), negatively impacted by approximately 300 bps from currencies offset by positive price/mix effects and lower sales and marketing costs.
- Net profit amounted to €4.9m (€11.8m) and EPS amounted to €0.09 (€0.21).
- Cash flow from operating activities amounted to €4.1m (€-4.9m).
- Fourth quarter update: The year to date sales development is approximately 2% in local currency and the development in the fourth quarter to date is approximately 9% in local currency.
- As per 30 September 2015 the merger between Oriflame Holding AG and Oriflame Cosmetics S.A. was successfully completed. The merger relates to the share-for-share exchange transaction through which Oriflame has changed domicile from Luxembourg to Switzerland. The share of the new top holding company, Oriflame Holding AG was listed on Nasdaq Stockholm in June, and the SDR of Oriflame Cosmetics S.A. was delisted in July.

Nine months ended 30 September 2015

- Local currency sales increased by 1% and Euro sales decreased by 4% to €872.1m (€912.1m).
- EBITDA amounted to €77.8m (€88.5m).
- Adjusted* operating margin was 7.0% (7.5%), negatively impacted by more than 200 bps from currency movements, partly offset by hedging and positive price/mix effects as well as cost reductions, resulting in an adjusted* operating profit of €61.3m (€68.0m). Operating margin was 6.7% (7.3%) and operating profit €58.1m (€66.3m).
- Adjusted** net profit amounted to €28.0m (€35.9m) and adjusted** EPS amounted to €0.50 (€0.65). Net profit was €25.3m (€34.1m) and EPS €0.45 (€0.61).
- Cash flow from operating activities amounted to €53.5m (€24.0m).

* Adjusted for non-recurring items of €1.7m during the period 2014

* Adjusted for non-recurring items of €3.2m during the period 2015

**Adjusted for additional non-recurring items of -€0.5m during the period 2015

CEO Magnus Brännström comments

“We are pleased to report double digit growth in both Latin America and Turkey, Africa & Asia. These markets now account for close to half of the total sales with an increased contribution to the overall profitability of the Group. Although challenges remain in CIS and Europe the development is improving, suggesting that the efforts of driving activity are starting to pay off. The unit development remains a challenge and puts pressure to further drive efficiencies across all parts of the organisation. The fourth quarter has started in a promising way although it should be noted that we are facing more difficult sales comparable in the second half of the quarter.”

Sales and earnings

FINANCIAL SUMMARY (€ Million)	3 months ended 30 September			9 months ended 30 September			LTM ³ , Oct 14- Sep 15	Year end 2014 ⁴
	2015	2014	Change	2015 ¹	2014 ²	Change		
Sales	263.2	274.5	(4%)	872.1	912.1	(4%)	1,225.8	1,265.8
Gross margin, %	67.6	69.0		68.8	69.4		67.9	68.4
EBITDA	25.1	26.3	(4%)	77.8	88.5	(12%)	112.2	122.9
Operating profit	19.1	19.7	(3%)	58.1	66.3	(12%)	86.5	94.7
Operating margin, %	7.3	7.2		6.7	7.3		7.1	7.5
Adj. operating profit	19.1	19.7	(3%)	61.3	68.0	(10%)	91.1	97.8
Adj. operating margin, %	7.3	7.2		7.0	7.5		7.4	7.7
Net profit before tax	9.8	16.8	(42%)	42.6	53.3	(20%)	63.5	74.2
Adj. net profit before tax	9.8	16.8	(42%)	45.8	55.0	(17%)	68.1	77.3
Net profit	4.9	11.8	(59%)	25.3	34.2	(26%)	28.6	37.5
Adj. net profit	4.9	11.8	(59%)	28.0 ⁵	35.9	(22%)	39.1 ⁶	47.0 ⁷
EPS, €	0.09	0.21	(59%)	0.45	0.61	(26%)	0.51	0.67
Adj. EPS, €	0.09	0.21	(59%)	0.50 ⁵	0.65	(22%)	0.70 ⁶	0.84 ⁷
Cash flow from operating activities	4.1	(4.9)	n/a	53.5	24.0	123%	119.5	90.0
Net interest-bearing debt	231.3	317.5	(27%)	231.3	317.5	(27%)	231.3	245.4
Net interest-bearing debt at hedged values	159.7	281.2	(43%)	159.7	281.2	(43%)	159.7	196.8
Active consultants, '000	2,796	2,948	(5%)	2,796	2,948	(5%)	2,796	3,473
Sales per active consultant, €	93.3	92.6	1%	309.3	307.6	1%	364.1	362.4

¹Adjusted for non-recurring items of €3.2m

²Adjusted for non-recurring items of €1.7m

³Adjusted for non-recurring items of €4.6m

⁴Adjusted for non-recurring items of €3.1m

⁵Adjusted for additional non-recurring tax items of -€0.5m

⁶Adjusted for additional non-recurring tax items of €5.9m

⁷Adjusted for additional non-recurring tax items of €6.4m

Three months ended 30 September 2015

Sales in local currencies increased by 4% and Euro sales decreased by 4% to €263.2m compared to €274.5m in the same period prior year. Sales development in local currencies was impacted by a 9% increase in productivity while the number of active consultants in the quarter decreased by 5% to 2.8m (2.9m). Unit sales were down by 10%, while the price/mix effect was positive at 14%. Although unit sales remain under pressure, improvements can be seen in CIS and Central Europe. The mix effect is a combination of geographic and product mix, primarily driven by Wellness and Skin Care sets and routines where China is a major contributor.

Local currency sales increased by 15% in Latin America and by 24% in Turkey, Africa & Asia while CIS decreased by 9% and Europe by 1%.

The gross margin was 67.6% (69.0%) negatively impacted by activity campaigns, negative leverage in the manufacturing units and unfavourable effects from hedges. The operating margin amounted to 7.3% (7.2%). In addition to the above mentioned gross margin impact, the operating margin was negatively affected by approximately 300 bps from currency movements, offset by positive price/mix effects and lower sales and marketing costs.

Net profit amounted to €4.9m (€11.8m) and earnings per share amounted to €0.09 (€0.21). The net profit was negatively affected by a high financial net due to negative revaluation effects from depreciation of key currencies which also had an impact on the tax rate in the quarter. The tax rate was further impacted by tax provisions booked.

Cash flow from operating activities increased to €4.1m (€-4.9m), due to positive comparisons where last year was impacted by the €11m payment related to the tax claim in Russia.

The average number of full-time equivalent employees decreased to 6,350 (6,747), driven by various efficiency measure and as a result of the decreased volumes.

4%

Local currency sales

-300 bps

Operating margin impact from FX

Nine months ended 30 September 2015

Sales in local currencies increased by 1% and Euro sales amounted to €872.1m compared to €912.1m in the same period prior year.

Sales development in local currencies was the result of a 5% decrease in the number of active consultants and a productivity increase of 6%.

Gross margin amounted to 68.8% (69.4%) and adjusted operating margin to 7.0% (7.5%). Operating margin was 6.7% (7.3%). The adjusted operating margin was negatively impacted by currency movements of more than 200 bps and higher costs for the share incentive plan partly offset by positive price/mix effects, hedging and cost savings.

Adjusted net profit amounted to €28.0m (35.9m) and adjusted earnings per share was €0.50 (€0.65). Net profit was €25.3m (€34.2m) and earnings per share €0.45 (€0.61).

Cash flow from operating activities increased to €53.5m (€24.0m), partly driven by gains from financial instruments as well as positive comparisons where last year was impacted by the €11m payment related to the tax claim in Russia.

Operational highlights

Brand and Innovation

The strategic categories Skin Care and Wellness were the growth drivers in the quarter fuelled by successful sales of sets and routines. Also, the popular Skin Care brand *Milk and Honey* was re-launched with positive results.

Oriflame recently launched the new flagship Skin Care brand *NovAge*, with initial promising results. First out was *Ultimate Lift*, including the active ingredient *Aspartolift*, with clinically proven anti-aging skin benefits, which during the month of November was granted EU patent.

Wellness growth was mainly driven by India and a positive momentum in China and Latin America, with focus on sales of the *Wellness Routine* set.

In Colour Cosmetics additional launches under the brand *The ONE* were made, such as *Instant Extensions Mascara* and *5-in-1 Colour Stylist Intense Lipstick*. The upgrade of the *Giordani Gold* brand continued with the re-launch of the *Age-Defying Foundation*, as well as the heritage product *Bronzing Pearls* in a new premium packaging.

In Fragrance *Tenderly Promise* was launched supporting the Childhood Foundation with contribution from each bottle sold. Other launches were *Happydisiac* and *Miss Fragrance Mists*.

In Hair Care the new premium brand *Eleo* was introduced with very positive results especially from the hair oils.

Online & Service

During the third quarter service levels were high while keeping inventory at satisfactory levels.

In July, Oriflame's new Wellness facility in Roorkee, India received Gold certification under the LEED® for New Construction rating system. The ramp-up of production in the new factory in Noginsk, Russia, continued during the quarter. The volume development and the overall utilisation of assets continued to be a challenge in the quarter.

The new digital platform is now operational in 55 markets and further development will continue.

New flagship
Skin Care brand
with patented
active ingredient

High service
level whilst
achieving
reduction in
inventory days.

CIS

Key figures

	Q3'14	Q4'14 ²	Q1'15	Q2'15	Q3'15
Sales, €m	112.7	149.1	108.4	97.4	77.2
Sales growth in €	(16%)	(18%)	(30%)	(27%)	(32%)
Sales growth in lc	(3%)	5%	(5%)	(15%)	(9%)
Adj. op profit, €m ¹	13.9	18.3	12.6	6.9	7.1
Adj. op margin	12.3%	12.3%	11.6%	7.1%	9.2%
Active consultants, '000	1,315	1,626	1,531	1,243	1,075
Sales /active consultant, €	85.7	91.7	70.8	78.4	71.8

¹Excludes costs accounted for in the segments Manufacturing and Other such as financial expenses, gain/loss on exchange rates, market support and manufacturing overheads. This is in line with prior years.

²Adjusted for non-recurring items of €8.1m

Countries

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

Development

Local currency sales in the third quarter decreased by 9%, as a result of an 18% decrease in the number of active consultants and an increase in productivity of 9%. Euro sales were down by 32% to €77.2m (€112.7m). Local currency sales in Russia were down by 10%. The overall consumer situation in some of the key markets remains weak. The improvement seen in Ukraine was offset by the development in Kazakhstan during the quarter.

The efforts of driving the activity among the Oriflame Consultants, with emphasis on leadership development and sales program, continues.

Adjusted operating profit amounted to €7.1m (€13.9m) resulting in an adjusted operating margin of 9.2% (12.3%). Margins were negatively affected by devaluation of key currencies, activity campaigns and negative operating leverage partly compensated by positive price/mix effects.

-10%

Local currency sales in Russia

Europe

Key figures

	Q3'14	Q4'14 ²	Q1'15	Q2'15	Q3'15
Sales, €m	57.4	76.7	61.0	58.7	56.8
Sales growth in €	(12%)	(11%)	(11%)	(10%)	(1%)
Sales growth in lc	(12%)	(10%)	(11%)	(10%)	(1%)
Adj. op profit, €m ¹	6.1	12.2	7.5	8.4	8.9
Adj. op margin	10.7%	15.8%	12.3%	14.2%	15.6%
Active consultants, '000	501	589	542	499	479
Sales /active consultant, €	114.6	130.2	112.6	117.5	118.6

¹Excludes costs accounted for in the segments Manufacturing and Other such as financial expenses, gain/loss on exchange rates, market support and manufacturing overheads. This is in line with prior years.

²Adjusted for non-recurring items of €1.7m

Countries

Bosnia, Bulgaria, Croatia, Czech Rep., Denmark, Estonia, Finland, Greece, Holland, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Montenegro, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, UK/Ireland.

Development

Local currency sales in the third quarter decreased by 1% as a result of a 4% decrease in active consultants and 3% increase in productivity. Euro sales were down by 1% to €56.8m (€57.4m). The development in Central Europe is improving as a result of various initiatives to drive activity, such as Success Plan changes, leadership development, catalogue enhancement and online offerings and tools. The situation in southern Europe remains challenging.

Adjusted operating margin amounted to 15.6% (10.7%) and the adjusted operating profit was €8.9m (€6.1m), positively impacted by lower sales and marketing costs as well as reduced overheads.

Adj. operating margin 15.6%

Latin America

Key figures

	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Sales, €m	32.6	32.5	30.4	35.7	35.3
Sales growth in €	5%	8%	15%	15%	8%
Sales growth in lc	7%	7%	7%	9%	15%
Op profit, €m ¹	4.6	3.4	1.8	4.1	5.0
Op margin	14.0%	10.3%	6.0%	11.4%	14.1%
Active consultants, '000	237	231	227	228	268
Sales /active consultant, €	137.6	140.5	133.6	156.6	131.6

¹Excludes costs accounted for in the segments Manufacturing and Other such as financial expenses, gain/loss on exchange rates, market support and manufacturing overheads. This is in line with prior years.

Countries

Chile, Colombia, Ecuador, Mexico, Peru.

Development

+15%
Local currency
sales

Local currency sales in the third quarter increased by 15% as a result of a 13% increase in the number of active consultants and a 2% increase in productivity compared to prior year. Euro sales were up by 8% to €35.3m (€32.6m). Local currency sales were strong in all markets, especially in Mexico and Peru. An improved performance can be seen in Ecuador even though the impact from former import restrictions and increased duties remain.

Operating profit amounted to €5.0m (€4.6m) and operating margin to 14.1% (14.0%) positively impacted by fixed cost leverage as well as timing of overhead costs, partly offset by higher selling expenses.

Turkey, Africa & Asia

Key figures

	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Sales, €m	70.1	93.9	104.9	107.4	91.7
Sales growth in €	15%	30%	40%	35%	31%
Sales growth in lc	20%	25%	23%	20%	24%
Op profit, €m ¹	7.4	14.9	12.7	18.4	12.8
Op margin	10.6%	15.8%	12.1%	17.2%	13.9%
Active consultants, '000	895	1,027	1,129	1,053	974
Sales /active consultant, €	78.4	91.5	92.9	102.0	94.2

¹Excludes costs accounted for in the segments Manufacturing and Other such as financial expenses, gain/loss on exchange rates, market support and manufacturing overheads. This is in line with prior years.

Countries

Algeria, China, Egypt, India, Indonesia, Kenya, Morocco, Myanmar, Nigeria, Pakistan, Sri Lanka, Tanzania, Thailand, Tunisia, Turkey, Uganda, Vietnam.

Development

Third quarter sales growth in local currencies was 24% as a result of a 9% increase in the number of active consultants and a 15% increase in productivity. Euro sales were up by 31% to €91.7m (€70.1m). Most markets performed well, with healthy growth in India and Indonesia. China continues to show triple digit growth and a strong development can be seen in Nigeria. The strong focus on Skin Care and Wellness sets and routines together with strong leadership and online activity are key success factors in the region.

13.9%
Operating
margin

Operating margin increased to 13.9% (10.6%) and operating profit was €12.8m (€7.4m). The margin was positively affected by a favourable geographical mix and sales leverage.

Sales, operating profit and consultants by Global Business Area

Sales (€ Million)	3 months ended 30 September		Change in Euro	Change in Lc
	2015	2014		
CIS	77.2	112.7	(32%)	(9%)
Europe	56.8	57.4	(1%)	(1%)
Latin America	35.3	32.6	8%	15%
Turkey, Africa & Asia	91.7	70.1	31%	24%
Manufacturing	0.6	0.3	139%	140%
Other	1.6	1.4	13%	10%
Total sales	263.2	274.5	(4%)	4%

Sales (€ Million)	9 months ended 30 September		Change in Euro	Change in Lc	LTM, Oct 14- Sep 15	Year end 2014
	2015	2014				
CIS	283.0	400.4	(29%)	(10%)	432.0	549.4
Europe	176.4	190.7	(7%)	(8%)	253.1	267.4
Latin America	101.4	90.2	12%	11%	133.9	122.7
Turkey, Africa & Asia	304.1	225.1	35%	22%	398.0	319.0
Manufacturing	2.4	1.3	91%	93%	2.4	1.3
Other	4.8	4.4	9%	4%	6.4	6.0
Total sales	872.1	912.1	(4%)	1%	1,255.8	1,265.8

Adj. operating profit (€ Million)	3 months ended 30 September			9 months ended 30 September			LTM, Oct 14- Sep 15	Year end 2014
	2015	2014	Change	2015	2014	Change		
CIS	7.1	13.9	(49%)	26.6	48.8	(45%)	44.9	67.1
Europe	8.9	6.1	45%	24.7	20.8	19%	36.9	33.0
Latin America	5.0	4.6	9%	10.9	11.3	(4%)	14.3	14.7
Turkey, Africa & Asia	12.8	7.4	72%	43.9	27.7	58%	58.8	42.6
Manufacturing	2.7	(0.0)	n/a	3.8	0.8	375%	1.8	(1.2)
Other	(17.4)	(12.3)	(41%)	(48.6)	(41.4)	17%	(65.4)	(58.2)
Total adj. operating profit	19.1	19.7	(3%)	61.3¹	68.0²	(10%)	91.1³	97.8⁴

Active consultants ('000)	30 September			Year end 2014
	2015	2014	Change	
CIS	1,075	1,315	(18%)	1,626
Europe	479	501	(4%)	589
Latin America	268	237	13%	231
Turkey, Africa & Asia	974	895	9%	1,027
Total	2,796	2,948	(5%)	3,473

- 1) Adjusted for non-recurring items of €3.2m.
- 2) Adjusted for non-recurring items of €1.7m.
- 3) Adjusted for non-recurring items of €4.6m
- 4) Adjusted for non-recurring items of €3.1m

1.4

Hedged net
interest-bearing
debt/EBITDA

Cash flow & investments

Cash flow from operating activities increased to €4.1m (€-4.9m), due to positive comparisons where last year was impacted by the €11m payment related to the tax claim in Russia. Cash flow used in investing activities amounted to €-3.9m (€-10.0m).

Financial position

Net interest-bearing debt amounted to €231.3m compared to €317.5m at the end of the third quarter 2014. The net debt/EBITDA ratio was 2.1 (2.3) and interest cover amounted to 4.0 (4.4) in the third quarter 2015 and to 4.8 (6.2) during the last twelve months.

Net interest-bearing debt at hedged values amounted to €159.7m (€281.2m). The net debt at hedged values/EBITDA ratio was 1.4 (2.0).

Covenant disclosure

As per the end of the third quarter 2015, the financial measures as defined in the Revolving Credit Facility Agreement and the Private Placement Notes Amendment document were as follows:

- Consolidated Net Debt to Consolidated EBITDA: 1.9 (covenant at ≤ 3.0 times)
- Consolidated EBITDA to Consolidated Finance costs: 5.8 (covenant at ≥ 5.0 times)
- Consolidated Net Worth: €141m (covenant at $\geq €120$ m)

Note that the definition of these measures differ from the definitions of the Net Debt to EBITDA and Interest cover disclosed in the other sections of the report, primarily related to gains from sales of assets and cash in non-OECD markets.

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 2014.

Dividend

As indicated in the year-end 2014 report, the Board of Directors will continue to prioritise reducing the debt during the coming quarters. As a consequence, the Board of Directors did not seek a mandate from the Annual General Meeting for distribution of dividend up until quarter 1 2016.

Alignment of legal structure and Extraordinary General Meeting

The extraordinary general shareholders' meetings of Oriflame Cosmetics S.A., Luxembourg and Oriflame Holding AG, Schaffhausen, Switzerland held on 25 September 2015 resolved to approve the merger agreement dated 18 August 2015 regarding the cross-border merger between Oriflame Holding AG (as acquiring company), and Oriflame Cosmetics S.A. The merger took effect on 30 September 2015. The merger relates to the previous share-for-share exchange transaction and is the last step of Oriflame's process to change its domicile from Luxembourg to Switzerland. The share of the new top holding company, Oriflame Holding AG was listed on Nasdaq Stockholm on 23 June, and the SDR of the previous top holding Oriflame Cosmetics S.A., was delisted with last day of trading on 2 July. Anyone holding SDRs or shares in Oriflame Cosmetics S.A. on the date of the merger has received shares in Oriflame Holding AG as consideration.

Nomination Committee for the 2016 Annual General Meeting

In accordance with Swiss company law the tasks to nominate the chairman of the board, board members and the external auditor as well as appoint the chair of the general meeting are among the unalienable responsibilities of the Board of Directors. Hence, a nomination committee can only be constituted among the Company's board members.

In advance of the 2016 Annual General Meeting the Company has formed a nomination committee among its board members. The nomination committee consists of Anders Dahlvig (Chairman) and Alexander af Jochnick. The nomination committee will contact the Company's five largest shareholders (as known to the Company per 30 September) to obtain input on the nominations. Anyone wishing to contact the nomination committee may do so via **corporate.governance@oriflame.com**

The 2016 Annual General Meeting will be held in Switzerland on 17 May, 2016.

Personnel

The average number of full-time equivalent employees decreased to 6,350 (6,747).

Fourth quarter update

The year to date sales development is approximately 2% in local currency and the development in the fourth quarter to date is approximately 9% in local currency.

Long term targets

Oriflame 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 2015/2016

Year-end 2015 report will be published on 18 February 2016.

Annual General Meeting will be held in Switzerland on 17 May 2016.

First quarter 2016 report will be published on 18 May 2016.

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, 12 November at 9.30 CET.

Participant access numbers:

Luxembourg: +35 227 300 158

Sweden: +46 8 5055 64 53

Switzerland: +41 225 802 994

UK: +44 203 009 24 55

US: +1 855 228 37 19

Confirmation code: 209633#

The conference call will also be audio web cast in “listen-only” mode through

Oriflame’s website: www.oriflame.com or through

<http://edge.media-server.com/m/p/airfb5rg>

12 November 2015

Magnus Brännström

Chief Executive Officer

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Oriflame Holding AG

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Company registration no CHE-134.446.883

This information is such that Oriflame Holding AG is required to disclose in accordance with the Swedish Financial Instruments Trading Act and/or the Swedish Securities Market Act. The information was submitted for publication at 7:15 CET on 12 November 2015.

Consolidated key figures

	3 months ended 30 September		9 months ended 30 September		LTM, Oct 14- Sep 15	Year end 2014
	2015	2014	2015	2014		
Gross margin, %	67.6	69.0	68.8	69.4	67.9	68.4
EBITDA margin, %	9.5	9.6	8.9	9.7	9.2	9.7
Adj. operating margin, %	7.3	7.2	7.0	7.5	7.4	7.7
Return on:						
- operating capital, %	-	-	19.8	22.9	19.8	21.8
- capital employed, %	-	-	17.9	21.4	17.9	19.9
Net debt at hedged values / EBITDA (LTM)	1.4	2.0	1.4	2.0	1.4	1.6
Net debt / EBITDA (LTM)	2.1	2.3	2.1	2.3	2.1	2.0
Interest cover	4.0	4.4	4.2	4.9	4.8	5.4
Average no. of full-time equivalent employees	6,350	6,747	6,559	6,952	6,638	7,039

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	Q2'14 ¹	Q3'14	Q4'14 ²	Q1'15	Q2'15 ³	Q3'15
Sales, €m	310.4	274.5	353.7	307.8	301.0	263.2
Gross margin, %	70.9	69.0	65.9	67.8	70.7	67.6
EBITDA, €m	32.8	26.3	34.4	23.0	29.6	25.1
Adj. operating profit, €m	25.3	19.7	29.8	17.2	25.0	19.1
Adj. operating margin, %	8.1	7.2	8.4	5.6	8.3	7.3
Adj. net profit before income tax, €m	19.5	16.8	22.3	17.0	19.0	9.8
Adj. net profit, €m	12.1	11.8	11.1	11.2	11.9	4.9
Adj. EPS, diluted €	0.22	0.21	0.20	0.20	0.21	0.09
Cash flow from op. activities, €m	12.0	(4.9)	66.0	24.1	25.3	4.1
Net interest-bearing debt, €m	284.2	317.5	245.4	264.7	226.8	231.3
Active consultants, '000	3,224	2,948	3,473	3,429	3,023	2,796

Sales, €m	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
CIS	132.7	112.7	149.1	108.4	97.4	77.2
Europe	65.1	57.4	76.7	61.0	58.7	56.8
Latin America	31.1	32.6	32.5	30.4	35.7	35.3
Turkey, Africa & Asia	79.8	70.1	93.9	104.9	107.4	91.7
Manufacturing	0.2	0.3	0.1	1.5	0.3	0.6
Other	1.5	1.4	1.4	1.6	1.5	1.6
Oriflame	310.4	274.5	353.7	307.8	301.0	263.2

Adj. operating Profit, €m	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
CIS	12.6	13.9	18.3	12.6	6.9	7.1
Europe	7.9	6.1	12.2	7.5	8.4	8.9
Latin America	4.2	4.6	3.4	1.8	4.1	5.0
Turkey, Africa & Asia	11.2	7.4	14.9	12.7	18.4	12.8
Manufacturing	(0.6)	(0.0)	(2.1)	0.7	0.4	2.7
Other	(10.0)	(12.3)	(16.9)	(18.1)	(13.3)	(17.4)
Oriflame	25.3¹	19.7	29.8²	17.2	25.0³	19.1

Active consultants, '000	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
CIS	1,477	1,315	1,626	1,531	1,243	1,075
Europe	547	501	589	542	499	479
Latin America	233	237	231	227	228	268
Turkey, Africa & Asia	967	895	1,027	1,129	1,053	974
Oriflame	3,224	2,948	3,473	3,429	3,023	2,796

Adj. operating Margin, %	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
CIS	9.5	12.3	12.3	11.6	7.1	9.2
Europe	12.1	10.7	15.8	12.3	14.2	15.6
Latin America	13.4	14.0	10.3	6.0	11.4	14.1
Turkey, Africa & Asia	14.0	10.6	15.8	12.1	17.2	13.9
Oriflame	8.1¹	7.2	8.4²	5.6	8.3³	7.3

¹ Adjusted for non-recurring items of €1.3m

² Adjusted for non-recurring items of €1.3m

³ Adjusted for non-recurring items of €3.2m

€ Sales Growth in %	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
CIS	(23)	(16)	(18)	(30)	(27)	(32)
Europe	(9)	(12)	(11)	(11)	(10)	(1)
Latin America	4	5	8	15	15	8
Turkey, Africa & Asia	(3)	15	30	40	35	31
Oriflame	(14)	(7)	(5)	(6)	(3)	(4)

Cash Flow, €m	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Operating cash flow	12.0	(4.9)	66.0	24.1	25.3	4.1
Cash flow used in investing activities	(8.4)	(10.0)	21.1	(3.9)	(5.3)	(3.9)

Condensed consolidated interim income statements

€'000	3 months ended 30 September		9 months ended 30 September		LTM, Oct 14 - Sep 15	Year End 2014
	2015	2014	2015	2014		
Sales	263,220	274,516	872,072	912,133	1,225,788	1,265,849
Cost of sales	(85,174)	(85,086)	(272,357)	(278,771)	(393,054)	(399,468)
Gross profit	178,046	189,430	599,715	633,362	832,734	866,381
Other income	9,889	10,386	32,202	32,986	44,214	44,998
Selling and marketing expenses	(91,652)	(100,464)	(321,562)	(345,075)	(450,983)	(474,496)
Distribution and Infrastructure	(21,340)	(23,739)	(68,500)	(76,770)	(95,290)	(103,560)
Administrative expenses	(55,833)	(55,936)	(183,787)	(178,216)	(244,168)	(238,597)
Operating profit	19,110	19,678	58,068	66,287	86,507	94,726
Analysis of operating profit:						
Adjusted operating profit	19,110	19,678	61,303	68,022	91,075	97,795
Non-recurring items ¹	-	-	(3,235)	(1,735)	(4,568)	(3,069)
Operating profit	19,110	19,678	58,068	66,287	86,507	94,726
Financial income	9,426	26,705	47,744	38,176	87,262	77,694
Financial expenses	(18,721)	(29,535)	(63,236)	(51,233)	(110,223)	(98,220)
Net financing costs	(9, 295)	(2,830)	(15,492)	(13,057)	(22,961)	(20,526)
Net profit before income tax	9,815	16,848	42,576	53,230	63,546	74,200
Total income tax expense	(4,922)	(5,011)	(17,316)	(19,092)	(34,972)	(36,748)
Profit attributable to owners of the Company	4,893	11,837	25,260	34,138	28,574	37,452
Analysis of profit attributable to owners of the Company:						
Adjusted net profit	4,893	11,837	28,010	35,873	39,081	46,945
Non-recurring items ¹	-	-	(3,235)	(1,735)	(4,568)	(3,069)
Non-recurring tax items	-	-	485	-	(5,939)	(6,424)
Profit attributable to owners of the Company	4,893	11,837	25,260	34,138	28,574	37,452

¹ non-recurring items in 2015 relate to pension entries / non-recurring items in 2014 relate to restructuring

Condensed consolidated interim income statements (continued)

€	3 months ended 30 September		9 months ended 30 September		LTM, Oct 14 – Sep 15	Year end 2014
	2015	2014	2015	2014		
Adj*. EPS:						
- basic	0.09	0.21	0.50	0.65	0.70	0.84
- diluted	0.09	0.21	0.50	0.65	0.70	0.84
EPS:						
- basic	0.09	0.21	0.45	0.61	0.51	0.67
- diluted	0.09	0.21	0.45	0.61	0.51	0.67
Weighted avg. number of shares outstanding:						
- basic	55,608,563	55,603,490	55,608,563	55,601,609	55,608,563	55,603,362
- diluted	55,608,563	55,603,490	55,608,563	55,601,609	55,608,563	55,603,362
Total number of shares outstanding:						
- basic	55,608,563	55,608,563	55,608,563	55,608,563	55,608,563	55,608,563
- diluted	55,608,563	55,608,563	55,608,563	55,608,563	55,608,563	55,608,563

*Adj EPS calculation based on adjusted net profit.

Condensed consolidated interim statements of comprehensive income

€'000	3 months ended 30 September		9 months ended 30 September		LTM, Oct 14 – Sep 15	Year end 2014
	2015	2014	2015	2014		
Profit attributable to owners of the Company	4,893	11,837	25,260	34,138	28,574	37,452
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss:						
Revaluation reserve	(43)	3	(43)	3	(492)	(446)
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences for foreign operations	(28,539)	(5,586)	(19,115)	(15,569)	(55,822)	(52,276)
Effective portion of changes in fair value of cash flow hedges, net of tax	9,112	730	4,894	(4,358)	11,631	2,379
Total items that are or may be reclassified subsequently to profit or loss	(19,427)	(4,856)	(14,221)	(19,927)	(44,191)	(49,987)
Other comprehensive income for the period, net of tax	(19,470)	(4,853)	(14,264)	(19,924)	(44,683)	(50,343)
Total comprehensive income for the period attributable to owners of the Company	(14,577)	6,984	10,996	14,214	(16,109)	(12,891)

Condensed consolidated interim statements of financial position

€'000	30 September, 2015	31 December, 2014	30 September, 2014
Assets			
Property, plant and equipment	160,983	172,904	216,099
Intangible assets	17,696	19,532	18,760
Investment property	589	542	1,183
Deferred tax assets	18,413	19,201	27,399
Other long-term receivables	1,057	1,008	832
Total non-current assets	198,738	213,187	264,273
Inventories	170,865	169,478	190,592
Trade and other receivables	65,017	81,410	88,961
Tax receivables	6,218	5,865	4,992
Prepaid expenses	41,528	43,563	49,943
Derivative financial assets	92,760	90,067	43,906
Cash and cash equivalents	112,640	95,569	85,091
Assets held for sale	-	-	34,718
Total current assets	489,028	485,952	498,203
Total assets	687,766	699,139	762,476
Equity			
Share capital	79,788	71,527	71,527
Treasury shares	(621)	(41,235)	(41,235)
Share premium	654,381	15,324	15,324
Other reserves	(166,942)	(150,630)	(119,279)
Retained earnings	(412,781)	245,931	242,616
Total equity	153,825	140,917	168,954
Liabilities			
Interest-bearing loans	337,364	310,329	373,641
Other long-term non interest-bearing liabilities	1,385	1,433	842
Net defined benefit liability	3,369	-	-
Deferred income	350	279	358
Deferred tax liabilities	2,613	3,232	5,242
Total non-current liabilities	345,081	315,273	380,083
Current portion of interest-bearing loans	4,977	30,163	25,049
Trade and other payables	67,779	86,915	77,186
Deferred Income	1,728	2,948	2,829
Tax payables	11,163	12,492	7,173
Accrued expenses	95,879	88,769	81,360
Derivative financial liabilities	5,210	14,652	4,953
Provisions	2,124	7,010	5,583
Liabilities held for sale	-	-	9,306
Total current liabilities	188,860	242,949	213,439
Total liabilities	533,941	558,222	593,522
Total equity and liabilities	687,766	699,139	762,476

Condensed consolidated interim statements of changes in equity

€'000	Share capital	Treasury shares	Share premium	Other reserves	Total reserves	Retained earnings	Total equity
At 1 January 2014	71,517	(41,235)	15,189	(99,647)	(84,458)	222,379	168,203
Profit	-	-	-	-	-	34,138	34,138
Other comprehensive income, net of tax	-	-	-	(19,924)	(19,924)	-	(19,924)
Total comprehensive income for the period	-	-	-	(19,924)	(19,924)	34,138	14,214
Issuance of new shares	10	-	135	-	135	-	145
Share incentive plan	-	-	-	292	292	-	292
Dividends	-	-	-	-	-	(13,900)	(13,900)
Total contributions and distributions	10	-	135	292	427	(13,900)	(13,463)
At 30 September 2014	71,527	(41,235)	15,324	(119,279)	(103,955)	242,616	168,954
At 1 January 2015	71,527	(41,235)	15,324	(150,630)	(135,306)	245,931	140,917
Profit	-	-	-	-	-	25,260	25,260
Other comprehensive income, net of tax	-	-	-	(14,264)	(14,264)	-	(14,264)
Total comprehensive income for the period	-	-	-	(14,264)	(14,264)	25,260	10,996
Share incentive plan	-	-	-	1,912	1,912	-	1,912
Change in common shares, treasury shares and share premium associated with change in parent company	8,261	40,614	639,057	(3,960)	635,097	(683,972)	-
Total contributions and distributions	8,261	40,614	639,057	(2,048)	637,009	(683,972)	1,912
At 30 September 2015	79,788	(621)	654,381	(166,942)	487,439	(412,781)	153,825

Condensed consolidated interim statements of cash flows

€'000	3 months ended 30 September		9 months ended 30 September	
	2015	2014	2015	2014
Operating activities				
Net profit before income tax	9,815	16,848	42,576	53,230
Adjustments for:				
Depreciation of property, plant and equipment	4,805	5,416	14,615	16,476
Amortisation of intangible assets	1,009	1,142	3,161	3,818
Impairment losses on property, plant and equipment	-	-	-	1,604
Change in fair value of borrowings and derivatives financial instruments	863	(8,103)	15,927	(4,679)
Deferred income	(271)	78	(803)	42
Share incentive plan	212	68	1,912	292
Unrealised exchange rate differences	4,091	6,252	(3,351)	6,263
Profit on disposal of property, plant and equipment, intangible assets and investment property	(43)	(69)	(66)	(118)
Financial income	(4,882)	(4,515)	(15,472)	(13,281)
Financial expenses	7,705	8,510	23,570	22,275
Operating profit before changes in working capital and provisions	23,304	25,627	82,069	85,922
Decrease in trade and other receivables, prepaid expenses and derivative financial assets	(11,769)	(7,509)	43,966	(3,116)
Decrease in inventories	(8,477)	(9,591)	(6,050)	(1,665)
Increase / (Decrease) in trade and other payables, accrued expenses and derivatives financial liabilities	8,189	(5,292)	(34,450)	(21,930)
Decrease in provisions	(962)	(604)	(3,719)	(1,990)
Cash generated from operations	10,285	2,630	81,816	57,221
Interest received	5,225	4,137	15,572	12,815
Interest and bank charges paid	(7,292)	(6,467)	(24,264)	(20,822)
Income taxes paid	(4,133)	(5,188)	(19,661)	(25,235)
Cash flow from operating activities	4,085	(4,888)	53,463	23,979
Investing activities				
Proceeds on sale of property, plant and equipment, intangible assets and investment property	181	87	304	1,647
Purchases of property, plant, equipment and investment property	(3,805)	(8,820)	(12,156)	(26,878)
Purchases of intangible assets	(298)	(1,285)	(1,340)	(1,810)
Cash flow used in investing activities	(3,922)	(10,019)	(13,192)	(27,041)
Financing activities				
Proceeds from borrowings	76	60,819	76	143,983
Repayments of borrowings	-	(50,940)	(19,937)	(147,652)
Proceeds from issuance of new shares	-	148	-	148
Decrease of finance lease liabilities	(3)	(5)	(27)	(23)
Dividends paid	(3)	(6)	(3)	(13,888)
Cash flow used in financing activities	70	10,016	(19,891)	(17,432)
Change in cash and cash equivalents	232	(4,890)	20,380	(20,493)
Cash and cash equivalents at the beginning of the period net of bank overdrafts	116,150	87,859	95,515	106,788
Effect of exchange rate fluctuations on cash held	(3,994)	1,444	(3,507)	(822)
Cash included assets held for sale	-	1,060	-	-
Cash and cash equivalents at the end of the period net of bank overdrafts	112,388	85,472	112,388	85,472

Notes to the condensed consolidated interim financial information of Oriflame Holding AG

Note 1 • Status and principal activity

Oriflame Holding AG (“OHAG” or the “Company”) is a holding company incorporated in Switzerland and registered at Bleicheplatz 3, CH-8200 Schaffhausen. The principal activity of the Company’s subsidiaries is the direct sale of cosmetics. The consolidated financial statements of the Company as at and for the year ended 31 December 2015 comprises the Company and its subsidiaries (together referred to as the “Group”).

OHAG represents the new parent company after the move of the domicile from Luxembourg to Switzerland during June 2015 through a share-for-share transaction. In September 2015, a cross-border merger between OHAG and Oriflame Cosmetics S.A., the previous parent company, has finalized the change of the parent company to OHAG.

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

Statement of compliance

Following the change of domicile as described in Note 1, the reporting for the Group is now based on International Financial Reporting Standards (IFRS) while it was previously based on IFRS as adopted by the EU. This change had no impact on the financial statements of the Group.

The condensed consolidated interim financial information for the nine months period ended 30 September 2015 has been prepared by management in accordance with the measurement and recognition principles of IFRS and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2014. The condensed consolidated interim financial information was authorised for issue by the Directors on 12 November 2015.

Changes in accounting policies

The accounting policies applied by the Group in this condensed consolidated interim 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 2014 with the exception of new or revised standards, as explained below.

Following the change of domicile, the requirements of IAS 19, Employee Benefits relating to defined benefit plans (post-employment benefits) were applied for the first time during second quarter of 2015. The impact in the income statement for the three months ended 30 September 2015 was an expense of €0.1m.

New or amended IFRS standards

The new or amended IFRS standards, which became effective 1, January 2015, have had no material effect on the condensed consolidated interim financial information.