

INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2007

Three months ended 30 September 2007

- Local currency sales increased by 24% and Euro sales increased by 22% to €229.6m (€188.8m).
- Average sales force increased by 24% to 2,151,000 consultants and productivity was constant in local currency. Closing sales force was up by 17%.
- EBITDA before restructuring increased by 44% to €26.1m (€18.1m).
- Operating margin before restructuring costs was 8.6% (7.3%), resulting in a 42% increase in operating profit to €19.7m (€13.8m).
- Net profit before restructuring costs increased by 33% to €11.9m (€9.0m).
- Establishment of new operational platform ahead of plan.
- New long term financial target: Oriflame has raised its target for annual sales growth from 5-10% to around 10% in local currency. The operating margin target for 2009 remains at 15%. The outlook for 2007 remains unchanged.
- Operating cash flow amounted to €-17.5m (€-0.4m) principally due to €26.3m in higher build-up of inventories compared to last year.

Nine months ended 30 September 2007

- Local currency sales increased by 23% and Euro sales increased by 20% to €767.8m (€638.4m).
- Net profit before restructuring costs increased by 16% to €72.4m (€62.4m).
- EPS after dilution and before restructuring increased by 21% to €1.28 (€1.06).
- Cash flow from operating activities amounted to €40.2m (€56.2m).

FINANCIAL SUMMARY (€ Million)	3 months ended 30 September			9 months ended 30 September			Rolling 12 months, Oct 06- Sep 07	Year end 2006
	2007	2006	Change	2007	2006	Change		
Sales	229.6	188.8	22%	767.8	638.4	20%	1,047.3	917.9
Gross margin, %	70.5	68.9	-	70.2	69.6	-	69.7	69.1
EBITDA	26.1 ¹	18.1	44%	117.0 ²	97.0	21%	164.7 ²	144.6
Operating profit	19.7 ¹	13.8	42%	98.7 ²	84.1	17%	141.7 ²	127.1
Operating margin, %	8.6 ¹	7.3	-	12.9 ²	13.2	-	13.5 ²	13.8
Profit before tax	13.4 ¹	10.3	31%	82.9 ²	71.4	16%	113.3 ²	101.7
Net profit	11.9 ¹	9.0	33%	72.4 ²	62.4	16%	100.5 ²	90.5
EPS, diluted, €	0.21 ¹	0.16	34%	1.28 ²	1.06	21%	1.91 ²	1.52
Cash flow from operating activities	(17.5)	(0.4)	n.m	40.2	56.2	(28%)	105.6	121.6
Net interest-bearing debt	229.3	249.6	(8%)	229.3	249.6	(8%)	229.3	193.5
Sales force, average, '000	2,151	1,739	24%	2,153	1,769	22%	2,024	1,808

1) Before restructuring costs of €9.6m. 2) Before restructuring costs of €11.8m.

SALES AND EARNINGS

Three months ended 30 September 2007

Sales in local currencies increased by 24% and by 22% in Euro to €229.6m compared to €188.8m in the same period last year. Unit sales were up by 22%.

Sales growth in local currencies was driven by a 24% increase in the average size of the sales force and a constant productivity. Closing sales force increased by 17% or 294,400 to 2,065,800 consultants.

Local currency sales in Asia, CIS & Baltics, Latin America, Central Europe & Mediterranean and Western Europe & Africa increased by 34%, 29%, 28%, 15% and 6% respectively.

Gross margins improved to 70.5% (68.9%) mainly as a result of lower provisions for obsolete products and production gains from higher volumes. Negative currency effects in the CIS region was offset by price increases while Oriflame had positive currency effects in Central Europe.

The operating profit before restructuring costs increased by 42% to €19.7m (€13.8m) reflecting higher sales and improved margins. Operating margins before restructuring costs improved to 8.6% (7.3%) as a result of higher gross margins, leverage on fixed overhead costs as well as higher marketing expenses in the third quarter last year. Margins were however, as a consequence, held back by higher conference costs compared to last year partly as a result of Oriflame's 40th anniversary having over 1.0 percentage point negative impact on margins. Currency movements had a 0.2 percentage point negative effect on operating margins.

Profit before tax amounted to €3.8m (€10.3m). Results were negatively affected by €1.7m in foreign exchange losses during the quarter, while Oriflame saw foreign exchange profits amounting to €0.2m last year. Restructuring charges, related to the creation of a new operational platform for the company, affected profit before tax by €9.6m during the quarter.

Net profit amounted to €2.4m (€9.0m) and fully diluted earnings per share amounted to €0.04 (€0.16). Diluted EPS excluding restructuring costs increased by 34% to €0.21 (€0.16).

Nine months ended 30 September 2007

Sales in local currency increased by 23% and by 20% in Euro to €767.8m (€638.4m). Unit sales were up by 21%.

Sales growth in local currency was driven by a 22% increase in the average size of the sales force and a 1% productivity improvement.

Gross margins improved to 70.2% (69.6%). Net profit decreased by 3% to €60.6m (€62.4m). Net profit excluding restructuring costs increased by 16%.

Cash flow from operating activities decreased to €40.2m (€56.2m) mainly due to a higher build of inventories compared to the same period last year.

OPERATIONAL HIGHLIGHTS

Marketing and Sales Support

During the quarter, the toiletries and fragrance categories showed higher than average sales growth.

Strong growth of toiletries was partly the result of the continued successful roll out of the oral care products *Optifresh Toothpaste* and *Toothbrush*

The overall top sellers in the quarter were the fragrances *Elvie Summer Magic* and the new design of the fragrance *Soul EDT*. Oriflame also launched *Ascendant* a new fragrance for men.

Within skin care, the focus during the quarter was on the core product range *Time Reversing* skin care by adding an eye and lip contour cream and a restoring hand cream. The formulations of *Time Reversing Restoring Day* and *Night* creams and *Time Reversing Instant Illuminating Serum* have been enriched.

Highlights in the colour cosmetics category were the introduction of two key products building the *Oriflame Beauty* brand combining the wisdom of nature with the best of science: *Wonderlash* – an innovative mascara with a patented brush developed exclusively for Oriflame, and *Colour Attraction* – a lipstick using a breakthrough microsphere technology. Both product launches were supported by an integrated communication campaign including print, press, TV and sales support material.

Recognition of top leaders is an important part of Oriflame's business. In September, Oriflame held its largest annual Global Gold Conference ever for top consultants in Spain with over 3,800 participants. This was the first ever global such event with participants from all regions celebrating Oriflame's 40th anniversary.

Global Supply

Oriflame has during the third quarter carried out an inventory build up in anticipation of the fourth quarter, being the most important selling period of the year.

The Product Fulfilment Project, Oriflame's review of its entire supply chain, is proceeding according to plan. The project is expected to generate long term benefits in the form of improved service levels in the company's main markets, with visible effects beginning to materialise towards the latter part of this year. In 2007 the benefits will come primarily from more effective and efficient inventory management. Service levels are expected to improve as the new distribution network is rolled out throughout the company during 2008 and 2009.

Oriflame is continuing to move inventory closer to its main markets with Warsaw now continuously serving as the main group warehouse. This site will be expanded further to serve as a distribution centre with pick & pack capabilities expected to be operational during the first quarter 2008. The company will also intensify the efforts of looking at sourcing opportunities closer to its main markets. The purpose of these changes is to increase flexibility and reduce lead-times wherever possible, all with the aim at improving the service levels in the company's main markets.

New Operational Platform

The overall project is somewhat ahead of time and the new operational platform is expected to be fully up and running in the first quarter 2008. The recruitment activities are proceeding according to plan and the new office in the centre of Stockholm is ready for occupancy.

The restructuring charges are expected to amount to €30 – 35m over two years as previously communicated with the largest share occurring in 2007.

REGIONAL HIGHLIGHTS

CIS & Baltics

Local currency sales in the third quarter 2007 increased by 29% as a result of a 31% increase in the average size of the sales force and a 1% productivity decrease compared to last year. Euro sales increased by 24% to €119.0m (€95.7m) and closing sales force was up by 20% year over year. All markets performed well, particularly Kazakhstan, Mongolia and Lithuania. Sales in Russia increased by 25% in local currency.

Sales increase was strong due to a higher sales force, the result of successful recruitment campaigns and catalogue promotions, in addition to events celebrating Oriflame's 40th anniversary. In the comparable period in 2006, Oriflame lost sales due to a licence requirement to import fragrances in Russia.

Operating margins improved to 14.0% (12.9%) resulting in a 35% increase in operating profit to €16.7m (€12.4). Margins improved as a result of lower obsolete stock provisions and lower sales and marketing costs. This was partly offset by higher costs for conferences and recognitions for the sales force. Negative currency effects on margins were offset by price increases.

Central Europe & Mediterranean

Local currency sales in the third quarter increased by 15% driven by a 6% increase in the size of the sales force and a 9% productivity improvement. Closing sales force was up by 6%.

Euro sales increased by 21% to €55.7m (46.1m) helped by stronger currencies in many key markets. Sales growth was particularly strong in Czech Republic and Slovakia due to a good implementation of marketing activities as well as strong leadership development and recruitment. Sales growth in Poland continued to be strong due to a well executed pricing strategy and attractive customer offers.

Operating profit increased by 28% to €10.2m (€8.0m). Operating margins improved to 18.3% (17.3%) mainly due to stronger local currencies.

Western Europe & Africa

Sales increased by 6% in local currency and in Euro to €20.8m (€19.6m) as a result of a 13% increase in the size of the sales force partly offset by a 6% productivity decrease. Growth was particularly strong in Spain, Egypt and Morocco while Finland, Holland and Norway reported lower sales partly due to timing effects in the closing schedules of the catalogues compared to last year. Closing sales force was up by 8%.

Operating margins amounted to 8.3% (9.7%) resulting in an operating profit of €1.7m (€1.9m). Margins were lower mainly due to more sellout actions.

Latin America

Local currency sales in the third quarter increased by 28% driven by a 29% increase in the size of the sales force partly offset by a 1% decrease in productivity. Euro sales increased by 23% to €12.4m (€10.1m). Sales growth was strong in all markets and particularly in Colombia and Mexico. Closing sales force was up by 28%.

Operating margins decreased to 10.2% (12.9%) resulting in an operating profit of €1.3m (€1.3m). Margins were lower mainly due to negative currency effects.

Asia

Local currency sales in the third quarter increased by 34% driven by a 44% increase in the size of the sales force partly offset by a 6% productivity decrease. Euro sales increased by 28% to €15.0m (€11.7m). Oriflame posted strong growth in all countries and particularly in India and Sri Lanka. Closing sales force was up by 28%.

The strong sales trend is to a high degree attributed to Oriflame's focus on sales and recruitment processes which has led to many leaders in the region taking more responsibility for the training and recruitment of the sales force.

Operating margins were 6.9% (8.7%) resulting in an operating profit of €1.0m (€1.0m). Margins were lower mainly due to negative currency effects.

CASH FLOW & INVESTMENTS

Cash flow from operating activities amounted to €-17.5m (€-0.4m) during the third quarter and €40.2m (€56.2m) in the nine month period. A €20.1m increase in EBITDA excluding restructuring costs in the nine month period was partly offset by €18.8m in higher working capital requirements compared to the same period last year. The increase in working capital was principally due to a €31.7m higher build-up of inventories.

Cash flow from investing activities during the first nine months amounted to €-22.4m (€-30.5m). Capital expenditure was lower mainly due to the investments in the CIS Supply Centre in the same period last year.

FINANCIAL POSITION

Net interest-bearing debt amounted to €229.3m by the end of the period compared to €249.6m at the end of the third quarter 2006 and €193.5m at year-end 2006. Interest-bearing debt increased mainly as a result of €56.2m in dividends paid in the second quarter. The net debt/EBITDA ratio was 1.39 (1.78) and interest cover amounted to 10.2 (9.0) in the nine month period.

MANAGEMENT AND SHARES

In order to balance their portfolios, members of the Executive Committee may sell shares during the trading window following the third quarter 2007 report.

PERSONNEL

The average number of employees during the third quarter 2007 was 6,411 (5,453).

NEW LONG TERM FINANCIAL TARGETS

Oriflame's Board of Directors has adopted a new financial target for sales growth, following a revision of the strategic scenario and reflecting the Company's geographical and product mix. Oriflame's target is to achieve local currency sales growth of around 10% per annum. The previous growth target was to achieve local currency sales growth of 5-10% per annum.

Oriflame's margin target remains unchanged: Oriflame has a target to reach an operating margin of 15% in 2009.

A number of factors impact sales and margins in-between quarters:

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

OUTLOOK FOR 2007

The outlook for 2007 is unchanged. Oriflame expects sales growth for 2007 to be well above 15% in local currency. Operating margins, excluding restructuring costs, is expected to be slightly better than in 2006 despite the current negative currency effects.

NOMINATING COMMITTEE FOR ORIFLAME'S 2008 AGM

Oriflame and its main shareholders are in the process of forming a nominating committee for the Company's 2008 AGM. For contact please send a mail to corporate.governance@oriflame.be.

AUDIT

Report on Review of Interim Financial Information by the Réviseur d'Entreprises

To the Shareholders,
Oriflame Cosmetics S.A.
20, rue Philippe II
L-2340 Luxembourg

Introduction

We have reviewed the accompanying consolidated condensed balance sheet of Oriflame Cosmetics S.A. and its subsidiaries ("the Group") as at 30 September 2007, and the related consolidated condensed statements of income, changes in equity, cash flows and related notes for the nine month period then ended (the "interim financial information"). Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information as at 30 September 2007 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Luxembourg, 23 October 2007

KPMG Audit S.à r.l.
Réviseurs d'Entreprises

D.G. Robertson

OTHER

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

The Company will host a conference call at 15.00 CET on Wednesday 24 October. The conference call will be web cast in "listen-only" mode through Oriflame's website: www.oriflame.com.

To participate in the conference call you are kindly requested to call +44 (0)20 7162 0125

24 October 2007

Magnus Brännström
Chief Executive Officer

For further information, please contact:

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Company registration no B.8835

Oriflame's year-end report 2007 will be announced on 20 February 2008.

Oriflame is an international cosmetics company selling direct, with sales in 59 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.

SALES, OPERATING PROFIT AND CONSULTANTS BY REGION

Sales (€ Million)	3 months ended 30 September		Change in Euro	Change in local currency
	2007	2006		
CIS & Baltics	119.0	95.7	24%	29%
Central Europe & Med. ¹	55.7	46.1	21%	15%
Western Europe ¹	20.8	19.6	6%	6%
Latin America	12.4	10.1	23%	28%
Asia	15.0	11.7	28%	34%
Other	6.7	5.5	22%	20%
Total sales	229.6	188.8	22%	24%

Sales (€ Million)	9 months ended 30 September		Change in Euro	Change in local currency	Rolling 12 months, Oct 06- Sep 07	Year end 2006
	2007	2006				
CIS & Baltics	416.8	337.4	24%	28%	575.9	496.5
Central Europe & Med. ¹	179.3	156.6	14%	12%	246.5	223.8
Western Europe ¹	70.5	64.9	9%	9%	95.9	90.3
Latin America	35.1	29.5	19%	26%	45.6	40.0
Asia	45.9	31.2	47%	55%	58.4	43.7
Other	20.3	18.9	7%	6%	25.0	23.7
Total sales	767.8	638.4	20%	23%	1,047.3	917.9

Operating profit (adjusted) (€ Million)	3 months ended 30 September			9 months ended 30 September			Rolling 12 months, Oct 06- Sep 07	Year end 2006
	2007	2006	Change	2007	2006	Change		
CIS & Baltics	16.7	12.4	35%	76.2	64.2	18%	111.1	99.3
Central Europe & Med. ¹	10.2	8.0	28%	34.1	31.0	10%	48.6	45.4
Western Europe ¹	1.7	1.9	(9%)	8.0	8.0	-	11.3	11.3
Latin America	1.3	1.3	(3%)	3.4	3.7	(10%)	4.1	4.4
Asia	1.0	1.0	-	4.3	(0.1)	171%	2.7	-
Other	(11.3)	(10.8)	n.m	(27.3)	(22.8)	n.m	(36.1)	(33.3)
Total	19.7	13.8	42%	98.7	84.1	17%	141.7	127.1

- 1) As of the fourth quarter 2006, Morocco and Egypt have been moved from Central Europe & Mediterranean to Western Europe and Africa for reporting purposes.

Sales Force (‘000)	Average in the 3 months ended 30 September			Average in the 9 months ended 30 September		
	2007	2006	Change	2007	2006	Change
CIS & Baltics	1,145.8	876.6	31%	1,161.7	905.7	28%
Central E. & Med. ¹	515.7	488.5	6%	525.6	514.8	2%
Western Europe ¹	143.1	126.1	13%	142.2	123.6	15%
Latin America	92.5	71.8	29%	83.5	67.4	24%
Asia	253.9	176.4	44%	239.9	157.1	53%
Total	2,151.0	1,739.4	24%	2,152.8	1,768.6	22%

Sales Force (‘000)	Closing at 30 September			Average 2006	Year End 2006
	2007	2006	Change		
CIS & Baltics	1,088.6	910.2	20%	932.6	1,041.7
Central E. & Med. ¹	493.7	464.1	6%	512.9	519.8
Western Europe ¹	129.1	119.3	8%	125.1	135.2
Latin America	94.1	73.6	28%	69.2	73.5
Asia	260.2	204.0	28%	167.9	205.9
Total	2,065.8	1,771.3	17%	1,807.7	1,976.5n

- 1) As of the fourth quarter 2006, Morocco and Egypt have been moved from Central Europe & Mediterranean to Western Europe and Africa for reporting purposes.

CONSOLIDATED INCOME STATEMENT

€ '000		3 months ended 30 September		9 months ended 30 September		Rolling 12 months, Oct 06- Sep 07	Year end 2006
Note		2007	2006	2007	2006		
Sales	2	229,619	188,764	767,781	638,445	1,047,281	917,945
Cost of sales		(67,816)	(58,745)	(228,857)	(194,291)	(317,849)	(283,283)
Gross profit		161,803	130,019	538,924	444,154	729,432	634,662
Selling and marketing expenses		(93,023)	(74,757)	(293,999)	(236,583)	(392,287)	(334,871)
Administrative expenses		(49,114)	(41,441)	(146,206)	(123,495)	(195,447)	(172,736)
Operating profit before restructuring	2	19,666	13,821	98,719	84,076	141,698	127,055
Restructuring		(9,595)	-	(11,793)	-	(11,793)	-
Operating profit after restructuring		10,071	13,821	86,926	84,076	129,905	127,055
Financial income		149	122	590	367	802	579
Financial expenses		(6,406)	(3,675)	(16,370)	(13,078)	(22,598)	(19,306)
Profit before tax		3,814	10,268	71,146	71,365	108,109	108,328
Current tax expense		(2,446)	(1,540)	(11,515)	(9,970)	(20,245)	(18,700)
Deferred tax expense		986	241	966	973	3,864	3,871
Net profit		2,354	8,969	60,597	62,368	91,728	93,499

€	3 months ended 30 September		9 months ended 30 September		Rolling 12 months, Oct 06- Sep 07	Year end 2006
	2007	2006	2007	2006		
EPS:						
- basic	0.04	0.16	1.09	1.07	1.65	1.62
- diluted	0.04	0.16	1.07	1.06	1.63	1.61
Weighted avg. number of shares outstanding:						
- basic	55,704,549	56,250,171	55,681,567	58,393,675	55,678,623	57,674,309
- diluted	56,430,601	56,596,237	56,398,898	58,713,807	56,399,218	58,073,828
Total number of shares outstanding:						
- basic	55,737,737	55,669,886	55,737,737	55,669,886	55,737,737	55,669,886
- diluted	56,463,789	56,015,952	56,455,068	55,990,018	56,458,332	56,069,405

CONSOLIDATED BALANCE SHEET

€000	30 Sep 2007	Year end 2006	30 Sep 2006
Assets			
Intangible assets	12,699	11,393	11,133
Property, plant and equipment	131,166	124,593	119,826
Deferred tax assets	13,016	12,446	10,360
Other long term receivables	6,128	6,534	5,988
Total non-current assets	163,009	154,966	147,307
Inventories	176,245	140,940	148,213
Trade and other receivables	96,151	78,328	78,954
Cash and cash equivalents	40,372	62,000	31,589
Total current assets	312,768	281,268	258,756
Total assets	475,777	436,234	406,063
Equity			
Share capital	69,673	69,588	74,355
Reserves	(29,003)	(34,680)	(128,725)
Retained earnings	73,573	66,509	121,398
Dividends	(56,227)	(53,535)	(53,535)
Total capital and reserves	58,016	47,882	13,493
Liabilities			
Interest bearing loans	248,303	235,668	259,395
Other long term non interest -bearing liabilities	335	292	322
Deferred tax liabilities	4,744	4,977	5,126
Total non-current liabilities	253,382	240,937	264,843
Current portion of interest-bearing loans	21,363	19,823	21,831
Taxes payable	3,668	7,629	2,136
Trade and other payables	106,774	103,443	86,720
Provisions	32,574	16,519	17,040
Total current liabilities	164,379	147,414	127,727
Total equity and liabilities	475,777	436,234	406,063

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€000	Share capital	Treasury shares	Total reserves	Retained earnings	Total equity
As at 31 December 2005	74,354	-	25,941	59,474	159,769
Increase on issuance of new shares	-	-	-	-	-
Redemption of shares	-	(153,005)	-	(430)	(153,435)
Cash flow hedging reserve	-	-	(303)	-	(303)
Translation gain for the period	-	-	(3,269)	-	(3,269)
Movement in legal reserve	-	-	18	(18)	-
Other movements	-	-	1,895	-	1,895
Dividend	-	-	-	(53,535)	(53,535)
Profit for the period	-	-	-	62,368	62,368
As at 30 September 2006	74,354	(153,005)	24,282	67,861	13,492
 As at 31 December 2006	 69,588	 69,588	 (34,681)	 12,975	 47,882
Increase on issuance of new shares	85	-	2,504	-	2,589
Cash flow hedging reserve	-	-	745	-	745
Translation loss for the period	-	-	(2,443)	-	(2,443)
Other movements	-	-	4,874	-	4,874
Movement in legal reserve	-	-	1	(1)	-
Dividend	-	-	-	(56,227)	(56,227)
Profit for the period	-	-	-	60,597	60,597
As at 30 September 2007	69,673	69,588	(29,000)	17,344	58,017

CONSOLIDATED CASH FLOW STATEMENT

€000	3 months ended 30 September		9 months ended 30 September	
	2007	2006	2007	2006
Operating activities				
Operating profit	10,071	13,821	86,926	84,076
Adjustments for:				
Depreciation, amortisation and similar expenses	6,414	4,316	18,321	12,912
Foreign exchange gain/(loss)	(1,476)	(1,466)	(1,776)	(3,594)
Profit (loss) on disposal of property, plant and equipment	(23)	(254)	(44)	(139)
Operating profit before changes in working cap.	14,986	16,417	103,427	93,255
Decrease / (increase) in trade and other receivables	(1,633)	(10,408)	(14,587)	(13,438)
Decrease / (increase) in inventory	(35,274)	(8,920)	(35,672)	(4,194)
Increase / (decrease) in trade and other payables	14,621	5,376	15,230	1,437
Cash generated from operations	(7,300)	2,465	68,398	77,060
Interest and bank charges paid	(6,066)	(1,435)	(14,427)	(11,216)
Income taxes paid	(4,106)	(1,409)	(13,748)	(9,655)
Cash flow from operating activities	(17,472)	(379)	40,223	56,189
Investing activities				
Proceeds on sale of property, plant and equipment	160	277	337	230
Interest received	149	122	590	367
Purchase of property, plant and equipment	(8,428)	(11,448)	(20,496)	(29,301)
Purchase of intangible assets	(1,085)	(739)	(2,812)	(1,756)
Cash flow from investing activities	(9,204)	(11,788)	(22,381)	(30,460)
Financing activities				
Funds received from refinancing and movement in loans	31,941	150,076	13,797	159,053
Redemption of shares	-	(153,432)	-	(153,432)
Proceeds from issuance of share capital	1,089	1,432	2,741	2,729
Dividend paid, net	(72)	(1)	(39,646)	(53,472)
Cash flow from financing activities	32,958	(1,925)	(39,646)	(45,123)
Increase in cash and cash equivalents	6,282	(14,093)	(21,804)	(19,393)
Cash and cash equivalents at the beginning of the period	33,728	44,884	61,767	50,895
Effect of exchange rate fluctuations on cash held	(131)	673	(84)	(38)
Cash and cash equivalents at the end of the period	39,879	31,464	39,879	31,464

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF ORIFLAME COSMETICS S.A.

1. Basis of preparation

The interim consolidated financial statements of Oriflame Cosmetics S.A. have been prepared by management in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The interim consolidated financial statements have been prepared using the same accounting policies and accounting estimates as the consolidated financial statements for the year ended 31 December 2006, and should be read in conjunction with these statements.

2. Segment information

The primary and only segmentation of the business is cosmetics sales by geographical regions based on the Group's management and internal reporting structure. See tables on page 9-10.

CONSOLIDATED KEY FIGURES

	3 months ended 30 September		9 months ended 30 September		Rolling 12 months, Oct 06- Sep 07	Year end 2006
	2007	2006	2007	2006		
Gross margin, %	70.5	68.9	70.2	69.6	69.7	69.1
EBITDA margin, % ¹	11.4	9.6	15.2	15.2	15.7	15.8
Operating margin, % ¹	8.6	7.3	12.9	13.2	13.5	13.8
Return on:						
- operating capital, %	-	-	-	-	51.5	53.5
- capital employed, %	-	-	-	-	43.4	43.4
Net debt / EBITDA (LTM)	1.39	1.78	1.39	1.78	1.39	1.34
Interest cover	4.2	3.6	10.2	9.0	7.9	9.3
Average no. of employees	6,411	5,453	6,291	5,423	6,138	5,610

1) Excluding restructuring charges

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 minus 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.