ORIFLAME SWEDEN

Interim report 1 January – 31 March 2018

+8%	(2%)	9.2%
LC SALES	EURO SALES	OPERATING MARGIN

Important clarifying information IFRS

- Oriflame has implemented IFRS 15 Revenue from Contracts with Customers from 1st January 2018. An early adoption of IFRS 16 Leases has been made to allow for all changes being implemented at the same time.
- The application of IFRS 15 is impacting the income statement at different levels, both as a one-off adjustment and as reclassifications of costs. In order to facilitate the analysis of the company's underlying performance and minimize the impact from the one-off adjustment, Oriflame has decided to recognise the new IFRS 15 standard in applying the cumulative effect method at the date of initial application, with no restatement of the comparative period presented.
- To facilitate the comparison with the 2017 figures, the company has prepared fully adjusted 2018 figures in the first section of the interim report (pages 1-16), excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The fully adjusted figures are comparable with the already reported 2017 figures.
- Please note that due to accounting principles and the chosen implementation options of the new IFRS standards, the condensed consolidated financial statements on pages 17-21 in the interim report is calculated in accordance with IFRS (following the adoption of IFRS 15 and IFRS 16). These figures are not comparable with the already reported 2017 figures.
- Where not stated differently, the figures, graphs and comments in this interim report are based on the fully adjusted 2018 figures, to facilitate the comparison with the 2017 figures.

Three months ended 31 March 2018

- Local currency sales increased by 8%, slightly positively impacted by timing of catalogues. Euro sales decreased by 2% to €334.1m (€340.1m). Euro sales amounted to €330.8m* in accordance with IFRS.
- Number of registered actives increased by 1% to 3.0m.
- EBITDA amounted to €42.1m (€40.4m) and to €46.3m* in accordance with IFRS.
- Operating margin was 9.2% (8.8%), negatively impacted by 320 bps from currencies, and operating profit was €30.6m (€29.8m). Operating margin was 10.5%* and operating profit was €34.8m* in accordance with IFRS.
- Net profit was €18.7m (€19.5m) and diluted EPS €0.32 (€0.34). The tax rate was unfavorably impacted by approximately 350 bps from withholding tax on extraordinary large intra group dividends during the quarter. Net profit was €21.0m* and diluted EPS €0.36* in accordance with IFRS.
- Cash flow from operating activities was €24.9m (€-1.5m) and €24.9m* in accordance with IFRS.
- The development in the second quarter to date is approximately -2% in local currency, negatively impacted by timing of catalogues in the CIS as well as conferences in most regions.

*Figures following the adoption of IFRS 15 and IFRS 16.

Significant events after the end of the quarter

- After the end of the quarter, Oriflame successfully completed a €50m issue of Euro denominated US private placement notes bilaterally agreed with the international investor Pricoa. The proceeds refinance the private placement loan maturing during the third quarter 2018 and will be used for general corporate purposes.

"2018 has started with a continued strong performance in Asia & Turkey, while Russia showed a notable slowdown. The start of the second quarter has been negatively impacted by timing of catalogues in the CIS as well as conferences in most regions. We are taking measures where we meet sales challenges."

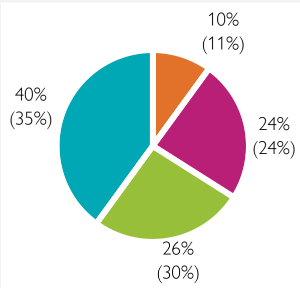
CEO Magnus Brännström

CEO Magnus Brännström comments

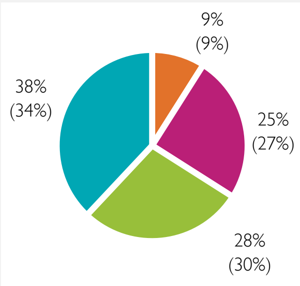
“2018 has started with a continued strong performance in Asia & Turkey, driven by high online activities, leadership development and the sales of Skin Care and Wellness routines. I am also pleased to report a stable underlying operating profit for the quarter, despite facing significant currency headwinds. However, Russia showed a notable slowdown during the second part of the first quarter due to both a weaker consumer offering and tougher competitive environment. The start of the second quarter has been negatively impacted by timing of catalogues in the CIS as well as conferences in most regions. We are taking measures where we meet sales challenges and remain confident in our long-term strategy.”

Key financial data

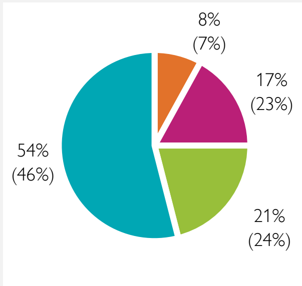
3 months ended 31 March



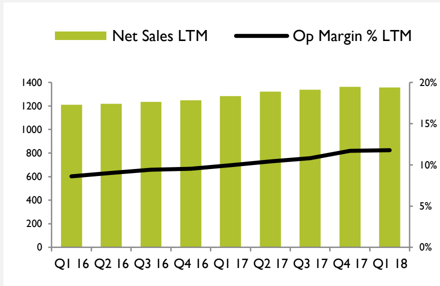
Sales**



Registered actives



Operating profit**



Net Sales LTM
Operating margin % LTM**

Latin America | Europe & Africa | CIS | Asia & Turkey

Financial summary (€m)	**3 months ended 31 March**				**LTM, April ‘17-March ‘18****	**Year end 2017**
	2018*	2018**	2017	Change %**		
Sales	330.8	334.1	340.1	(2%)	1,357.1	1,363.1
Gross margin, %	69.7	72.5	71.6		73.2	73.0
EBITDA	46.3	42.1	40.4	4%	193.5	191.8
Operating profit	34.8	30.6	29.8	3%	159.9	159.0
Operating margin, %	10.5	9.2	8.8		11.8	11.7
Net profit before tax	30.3	27.3	27.4	(1%)	133.0	133.2
Net profit	21.0	18.7	19.5	(4%)	91.8	92.6
Diluted EPS, €	0.36	0.32	0.34	(6%)	1.60	1.62
Cash flow from operating activities	24.9	24.9	(1.5)	N/A	149.1	122.7
Net interest-bearing debt	103.3	16.3	92.7	(82%)	16.3	23.5
Net interest-bearing debt at hedged values	81.6	(5.4)	28.0	N/A	(5.4)	(4.3)
Registered actives, ‘000	3,034	3,034	2,991	1%	3,034	3,067
Sales per registered actives, €	106.7	107.8	111.8	(4%)	442.4	439.9

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

-320 bps

OPERATING MARGIN IMPACT FROM FX

Three months ended 31 March 2018

Sales in local currencies increased by 8%, slightly positively impacted by timing of catalogues. Euro sales decreased by 2% to €334.1m compared to €340.1m in the same period prior year. Sales development in local currencies was impacted by a 7% increase in productivity and the number of registered actives in the quarter increased by 1% to 3.0m (3.0m). Euro sales amounted to €330.8m* in accordance with IFRS.

Unit sales decreased by 6% and the price/mix effect was up by 14%, primarily driven by mix. The positive mix effect is a combination of geographic and product mix, mainly driven by Skin Care and Wellness.

Local currency sales increased by 25% in Asia & Turkey, decreased by 2% in Europe & Africa and 5% in CIS, while Latin America was stable.

The gross margin was 72.5% (71.6%) and 69.7%* in accordance with IFRS. The operating margin amounted to 9.2% (8.8%), positively impacted by price/mix effects, lower selling and marketing expenses and lower distribution and infrastructure expenses, partly offset by currency movements of 320 bps. Operating margin was 10.5%* in accordance with IFRS.

Net profit decreased to €18.7m (€19.5m) and diluted earnings per share amounted to €0.32 (€0.34). The tax rate was unfavorably impacted by approximately 350 bps from withholding tax on extraordinary large intra group dividends during the quarter. Net profit was €21.0m* and diluted EPS €0.36* in accordance with IFRS.

Cash flow from operating activities amounted to €24.9m (€-1.5m) and €24.9m* in accordance with IFRS.

The average number of full-time equivalent employees was 6,170 (6,286).

*Figures following the adoption of IFRS 15 and IFRS 16.

Operational highlights

Sustainability

During the quarter, Oriflame's sustainability data for 2017 was collated. The data confirmed that the company's sustainability work continued to progress throughout the year. Oriflame's water footprint is continuously reduced, down per manufactured unit with 12% since 2015. Almost 100% of the paper and cardboard used are from certified sources and Oriflame's carbon footprint has decreased by 24% in absolute numbers since 2010. In addition, micro plastics are no longer produced by the company and a large and increasing number of the rinse-off products are biodegradable.

Brand and Innovation

The strategic categories Skin Care and Wellness continued to perform well, with double digit sales growth during the quarter. The main initiatives within Skin Care were the introduction of *NovAge Men* as well as the Chinese launch of the premium and multi-benefit Skin Care routine *Innoage Youth Preserve*. The Wellness growth was primarily driven by set sales.

In Colour Cosmetics, *THE ONE Colour Obsession Lipstick* was launched.

The performance in the Fragrance category was primarily driven by new products. Key launches during the quarter included *Lucia Bright Aura*, *Possess the Secret* and *Soul Focus*.

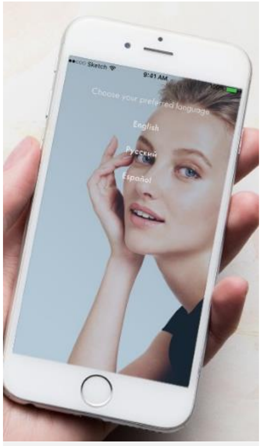
In Personal and Hair Care, the limited-edition *North for Men Rescue* was introduced. The performance was also driven by various seasonal collections for Valentine and International Women's Day celebrations.

NOVAGE MEN INTRODUCED DURING THE QUARTER

Online

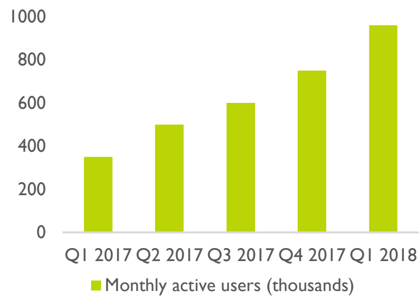
Mobile device sessions are now accounting for more than two thirds of total traffic to Oriflame's apps and sites. The number of users of the Oriflame app increased to 960,000 monthly active users, while the same figure for the Oriflame Business app was close to 400,000. The share of orders placed using mobile devices continues to increase, of which the Oriflame app accounts for around 20% globally. More than 95% of global orders are placed using digital channels.

A new mobile app for participants of Oriflame's global conferences was produced, along with further focus on production and rollout of several new learning modules for consultants. To match the elevated requirements in China on performance and mobile optimisation of digital services, a new mobile app tailored for Chinese infrastructure and user preferences was developed.

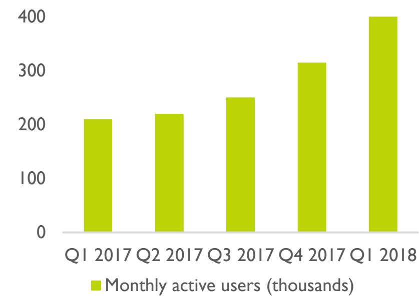


960,000 MONTHLY USERS OF THE ORIFLAME APP

The Oriflame app



The Oriflame Business app



Service, Manufacturing and Other

Service levels remained healthy and the number of inventory days was stable compared to the same period previous year.

The unit drop in the quarter had a negative impact on the capacity utilisation in manufacturing but was partially offset by higher sales to external parties.

The implementation of the outsourcing of IT and financial operational services to IBM continued according to plan and the initial transition is now over.

12.3%

OPERATING MARGIN

Latin America

Key figures following the adoption of IFRS 15 and IFRS 16

	Q1'18*
Sales, €m	34.0
Sales growth in €	(4%)
Sales growth in lc	5%
Op profit, €m[1]	5.2
Op margin	15.2%
Registered actives, '000	264
Sales /registered actives, €	128.9

Key figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18**
Sales, €m	35.3	40.9	40.4	41.0	32.5
Sales growth in €	20%	6%	(1%)	3%	(8%)
Sales growth in lc	21%	4%	1%	8%	0%
Op profit, €m[1]	3.3	6.0	5.9	5.5	4.0
Op margin	9.5%	14.8%	14.6%	13.5%	12.3%
Registered actives, '000	266	284	299	280	264
Sales /registered actives, €	132.6	143.8	135.1	146.3	123.2

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

[1]Excludes 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
Local currency sales in the first quarter remained stable as a result of a 1% increase in productivity, offset by a 1% decrease in the number of registered actives. Euro sales decreased by 8% to €32.5m (€35.3m) and amounted to €34.0m* in accordance with IFRS. The development was stable in Mexico during the quarter as the market was impacted by lower consumer confidence. Ecuador recorded continued solid growth driven by successful activity enhancing programs, while the performance in Colombia remained weak.

Operating profit amounted to €4.0m (€3.3m) and operating margin to 12.3% (9.5%). The operating margin was positively impacted by price increases and lower selling and marketing expenses, partly offset by exchange rates. Operating profit was €5.2m* and operating margin was 15.2%* in accordance with IFRS.

10.8%

OPERATING MARGIN

Europe & Africa

Key figures following the adoption of IFRS 15 and IFRS 16

	Q1'18*
Sales, €m	79.3
Sales growth in €	(2%)
Sales growth in lc	(1%)
Op profit, €m[1]	10.3
Op margin	12.9%
Registered actives, '000	750
Sales /registered actives, €	105.7

Key figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18**
Sales, €m	81.3	80.3	70.7	92.4	78.5
Sales growth in €	(1%)	(1%)	0%	(3%)	(3%)
Sales growth in lc	6%	4%	6%	(0%)	(2%)
Op profit, €m[1]	10.4	10.4	9.2	15.2	8.5
Op margin	12.8%	12.9%	13.0%	16.5%	10.8%
Registered actives, '000	802	734	674	783	750
Sales /registered actives, €	101.4	109.4	104.8	118.0	104.6

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

[1]Excludes 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, Bosnia, Bulgaria, Croatia, Czech Rep., Denmark, Egypt, Estonia, Finland, Greece, Holland, Hungary, Kenya, Kosovo, Latvia, Lithuania, Macedonia, Montenegro, Morocco, Nigeria, Norway, Poland, Portugal, Romania, Tanzania, Tunisia, Serbia, Slovakia, Slovenia, Spain, Sweden, Uganda, UK/Ireland.

Development
Local currency sales in the first quarter decreased by 2%, as a result of a 4% increase in productivity and a 6% decrease in the number of registered actives. Euro sales decreased by 3% to €78.5m (€81.3m) and amounted to €79.3m* in accordance with IFRS. Sales were stable in Central Europe during the quarter, with continued healthy development in the main markets Poland and Romania. The performance in Western Europe remained weak. Africa had a challenging quarter as several of the markets were facing macroeconomic difficulties, although the solid development in Egypt and Nigeria continued.

Operating profit amounted to €8.5m (€10.4m) and operating margin decreased to 10.8% (12.8%), negatively impacted by currency movements and sales deleverage, partly offset by price increases. Operating profit was €10.3m* and operating margin was 12.9%* in accordance with IFRS.

12.5%

OPERATING MARGIN

CIS

Key figures following the adoption of IFRS 15 and IFRS 16

	Q1'18*
Sales, €m	82.2
Sales growth in €	(17%)
Sales growth in lc	(7%)
Op profit, €m[1]	10.1
Op margin	12.3%
Registered actives, '000	836
Sales /registered actives, €	98.3

Key figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18**
Sales, €m	99.5	92.9	69.9	94.5	84.6
Sales growth in €	15%	19%	4%	1%	(15%)
Sales growth in lc	(6%)	6%	4%	5%	(5%)
Op profit, €m[1]	11.1	9.7	9.9	14.6	10.6
Op margin	11.2%	10.5%	14.2%	15.5%	12.5%
Registered actives, '000	889	794	698	859	836
Sales /registered actives, €	111.9	117.0	100.2	110.1	101.2

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

[1]Excludes 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
Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russia, Ukraine.

Development
Local currency sales in the first quarter decreased by 5%, as a result of an increase in productivity of 1% and a decrease of 6% in the number of registered actives. The sales development was impacted by positive timing of catalogues. Euro sales were down by 15% to €84.6m (€99.5m) and amounted to €82.2m* in accordance with IFRS. Local currency sales in Russia decreased by 14% as a combination of weak catalogues, high prices in certain categories and external price pressure hampered the sales during the latter part of the quarter. Measures are being taken to drive sales activities in the market with the aim to return to growth. The challenging development in Russia during the quarter was partly offset by continued improvements in Ukraine and Kazakhstan.

Operating profit amounted to €10.6m (€11.1m) and the operating margin increased to 12.5% (11.2%), favourably impacted by lower distribution and infrastructure expenses and timing of selling and marketing expenses, partly offset by negative exchange rates. Operating profit was €10.1m* and operating margin was 12.3%* in accordance with IFRS.

+25%

LC SALES

Asia & Turkey

Key figures following the adoption of IFRS 15 and IFRS 16

	Q1'18*
Sales, €m	128.4
Sales growth in €	9%
Sales growth in lc	21%
Op profit, €m[1]	29.4
Op margin	22.9%
Registered actives, '000	1,184
Sales /registered actives, €	108.4

Key figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18**
Sales, €m	118.2	130.3	111.7	150.0	131.6
Sales growth in €	14%	19%	15%	22%	11%
Sales growth in lc	16%	21%	23%	34%	25%
Op profit, €m[1]	21.1	28.0	22.1	39.1	27.7
Op margin	17.8%	21.5%	19.8%	26.0%	21.1%
Registered actives, '000	1,034	994	975	1,145	1,184
Sales /registered actives, €	114.4	131.1	114.6	131.0	111.1

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

[1]Excludes 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

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

Development

First quarter sales growth in local currencies was 25% as a result of a 15% increase in the number of registered actives and a 9% increase in productivity. Euro sales were up by 11% to €131.6m (€118.2m) and amounted to €128.4m* in accordance with IFRS. Most markets performed well with solid performance in China, Indonesia, Turkey and Vietnam. The combination of online activity, solid leadership and the focus on Skin Care and Wellness sets and routines continued to drive the growth in the region.

Operating profit was €27.7m (€21.1m) and operating margin increased to 21.1% (17.8%). The margin was positively impacted by a favourable geographical mix and sales leverage. Operating profit was €29.4m* and operating margin was 22.9%* in accordance with IFRS.

Income statements

€'000	3 months ended March 2018*	2018**	2017	LTM, April'17-March'18**	Year End 2017
Sales	330,829	334,143	340,134	1,357,121	1,363,111
Cost of sales	(100,330)	(91,792)	(96,730)	(363,609)	(368,547)
Gross profit	**230,499**	**242,351**	**243,404**	**993,511**	**994,564**
Other income	-	10,562	11,957	43,916	45,311
Selling and marketing expenses	(115,989)	(126,044)	(129,590)	(497,031)	(500,577)
Distribution and infrastructure	(6,715)	(22,063)	(24,433)	(93,014)	(95,384)
Administrative expenses	(73,013)	(74,210)	(71,569)	(287,525)	(284,884)
Operating profit	**34,782**	**30,596**	**29,769**	**159,857**	**159,030**
Financial income	7,948	7,948	7,590	47,696	47,338
Financial expenses	(12,456)	(11,277)	(9,940)	(74,525)	(73,188)
Net financing costs	**(4,508)**	**(3,329)**	**(2,350)**	**(26,829)**	**(25,850)**
Net profit before income tax	**30,274**	**27,267**	**27,419**	**133,028**	**133,180**
Total income tax expense	(9,252)	(8,593)	(7,936)	(41,283)	(40,626)
Net profit	**21,022**	**18,674**	**19,483**	**91,745**	**92,554**

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

Sales, operating profit and registered actives by Global Business Area

Sales (€m)	3 months ended 31 March 2018*	2018**	2017	Change in Euro**	Change in Lc**	LTM, April'17-March'18**	Year end 2017
Latin America	34.0	32.5	35.3	(8%)	0%	154.7	157.5
Europe & Africa	79.3	78.5	81.3	(3%)	(2%)	321.9	324.7
CIS	82.2	84.6	99.5	(15%)	(5%)	341.9	356.8
Asia & Turkey	128.4	131.6	118.2	11%	25%	523.6	510.2
Manufacturing	5.3	5.3	4.5	19%	19%	7.7	6.9
Other	1.6	1.6	1.3	17%	20%	7.3	7.0
Total sales	**330.8**	**334.1**	**340.1**	**(2%)**	**8%**	**1,357.1**	**1,363.1**

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

Operating profit (€m)	3 months ended 31 March 2018*	2018**	2017	Change**	LTM, April'17-March'18**	Year end 2017
Latin America	5.2	4.0	3.3	19%	21.5	20.8
Europe & Africa	10.3	8.5	10.4	(19%)	43.3	45.2
CIS	10.1	10.6	11.1	(5%)	44.9	45.4
Asia & Turkey	29.4	27.7	21.1	31%	116.9	110.3
Manufacturing	3.2	3.2	4.9	(35%)	7.5	9.2
Other	(23.4)	(23.4)	(21.0)	11%	(74.2)	(71.9)
Total operating profit	**34.8**	**30.6**	**29.8**	**3%**	**159.9**	**159.0**

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

Registered actives (´000)	31 March 2018	2017	Change	Year end 2017
Latin America	264	266	(1%)	280
Europe & Africa	750	802	(6%)	783
CIS	836	889	(6%)	859
Asia & Turkey	1,184	1,034	15%	1,145
Total	**3,034**	**2,991**	**1%**	**3,067**

-0.03

NET DEBT AT HEDGED VALUES /EBITDA

Cash flow & investments

Cash flow from operating activities in the first quarter amounted to €24.9m (€-1.5m), driven by higher EBITDA and positive timing of working capital. Cash flow from operating activities amounted to €24.9m* in accordance with IFRS.

Cash flow used in investing activities amounted to €-3.1m (€-3.0m) and to €-3.1m* in accordance with IFRS.

*Figures following the adoption of IFRS 15 and IFRS 16.

Financial position

Net interest-bearing debt at hedged values amounted to €-5.4m net cash (€28.0m net debt). The net debt at hedged values/EBITDA ratio was negative at -0.03 (positive 0.2). Net interest-bearing debt at hedged values amounted to €81.6m* and the net debt at hedged values/EBITDA ratio was 0.5* in accordance with IFRS.

Net interest-bearing debt amounted to €16.3m (€92.7m). The net debt/EBITDA ratio was 0.1 (0.6). Interest cover amounted to 7.5 (8.2) in the quarter and to 11.2 (7.5) during the last twelve months. The net interest-bearing debt amounted to €103.3m*, the net debt/EBITDA ratio was 0.4* and interest cover amounted to 8.5* in the quarter in accordance with IFRS.

*Figures following the adoption of IFRS 15 and IFRS 16.

Covenant disclosure

As per the end of the first quarter 2018, the financial measures as defined in the Agreements relating to the existing Private Placement Notes were as follows:

Consolidated Net Debt to Consolidated EBITDA: 0.1 (covenant at ≤ 3.0 times)
Consolidated EBITDA to Consolidated Finance costs: 18.3 (covenant at ≥ 5.0 times)
Consolidated Net Worth: €221.6m (covenant at ≥ €120m / not applicable for 2017 and 2018 Euro denominated private placement notes however covered by most favourable lender clause)

As per the end of the first quarter 2018, the financial measures as defined in the Agreements relating to the existing Revolving Credit Facility were as follows:

Consolidated Net Debt to Consolidated EBITDA: 0.1 (covenant at ≤ 3.0 times)
Consolidated EBITDA to Consolidated Finance costs: 18.3 (covenant at ≥ 4.0 times)

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 2017.

Dividend proposal to the 2018 AGM

The Board of Directors has proposed to the 2018 AGM a total dividend of €2.60 per share for 2017, of which €1.60 (€1.00) per share is to be considered as ordinary and €1.00 (€0.50) to be considered as extra dividend. The dividend will be paid in four instalments as follows: €1.40 to the shareholders of record on 9 May 2018, €0.40 to the shareholders of record on 15 August 2018, €0.40 to the shareholders of record on 15 November 2018 and €0.40 to the shareholders of record on 15 February 2019. The dividend instalments will be distributed out of the Company's Capital Contribution Reserve and are thereby not subject to any Swiss withholding tax.

The first instalment of €1.40 per share (record date 9 May 2018) will have expected payment date 16 May 2018.

-2%

SECOND QUARTER TO DATE LC SALES

NEGATIVELY IMPACTED BY TIMING

2018 Annual General Meeting

Oriflame Holding AG will hold its 2018 Annual General Meeting in Schaffhausen, Switzerland, on 4 May 2018.

Significant events after the end of the quarter

After the end of the quarter, Oriflame successfully completed a €50m issue of Euro denominated US private placement notes bilaterally agreed with the international investor Pricoa. The proceeds refinance the private placement loan maturing during the third quarter 2018 and will be used for general corporate purposes. The notes have a final maturity in 2030 and will be linearly amortised starting from 2026, resulting in an average maturity of 10 years.

Personnel

The average number of full-time equivalent employees was 6,170 (6,286).

Second quarter update

The development in the second quarter to date is approximately -2% in local currency, negatively impacted by timing of catalogues in the CIS as well as conferences in most regions.

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 2018

The second quarter 2018 report will be published on 7 August 2018
The third quarter 2018 report will be published on 7 November 2018
The fourth quarter 2018 report will be published on 14 February 2019

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, 4 May 2018 at 9.30 CET.

Participant access numbers:
SE: +46856642664
DK: +4535445575
FI: +358981710491
UK: +442030089814
NO: +4723500265
US: +18558315947

The conference call will also be audio web cast in "listen-only" mode through Oriflame's website**:** **www.oriflame.com** or through **http://oriflame-ir.creo.se/180504**

This report has not been audited by the Company's auditors.

May 4, 2018

Magnus Brännström
Chief Executive Officer

For further information, please contact:

Magnus Brännström, Chief Executive Officer	Tel: +41 798 263 754
Gabriel Bennet, Chief Financial Officer	Tel: +41 798 263 769
Nathalie Redmo, Sr. Manager IR	Tel: +41 799 220 173

This information is information that Oriflame Holding AG is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:15 CET on May 4, 2018.

Oriflame Holding AG
Bleicheplatz 3, CH-8200 Schaffhausen, Switzerland
www.oriflame.com
Company registration no CHE-134.446.883

Consolidated key figures

	3 months ended 31 March				
	2018*	2018**	2017	LTM, April'17-March'18**	Year end 2017
Gross margin, %	69.7	72.5	71.6	73.2	73.0
EBITDA margin, %	14.0	12.6	11.9	14.3	14.1
Operating margin, %	10.5	9.2	8.8	11.8	11.7
Return on:					
- operating capital, %	-	-	-	53.7	57.7
- capital employed, %	-	-	-	33.6	34.7
Net debt at hedged values / EBITDA (LTM)	0.5	(0.03)	0.2	(0.03)	(0.02)
Net debt / EBITDA (LTM)	0.4	0.1	0.6	0.1	0.1
Interest cover	8.5	7.5	8.2	11.2	11.5
Average no. of full-time equivalent employees	6,170	6,170	6,286	6,201	6,230

*Figures following the adoption of IFRS 15 and IFRS 16.
**Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

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 following the adoption of IFRS 15 and IFRS 16

Financial summary	**Q1'18**
Sales, €m	330.8
Gross margin, %	69.7
EBITDA, €m	46.3
Operating profit, €m	34.8
Operating margin, %	10.5
Net profit before income tax, €m	30.3
Net profit, €m	21.0
EPS, diluted €	0.36
Cash flow from op. activities, €m	24.9
Net interest-bearing debt, €m	103.3
Registered actives, '000	3,034

Sales, €m	**Q1'18**
Latin America	34.0
Europe & Africa	79.3
CIS	82.2
Asia & Turkey	128.4
Manufacturing	5.3
Other	1.6
Oriflame	**330.8**

Operating Profit, €m	**Q1'18**
Latin America	5.2
Europe & Africa	10.3
CIS	10.1
Asia & Turkey	29.4
Manufacturing	3.2
Other	(23.4)
Oriflame	**34.8**

Registered actives, '000	**Q1'18**
Latin America	264
Europe & Africa	750
CIS	836
Asia & Turkey	1,184
Oriflame	**3,034**

Operating Margin, %	**Q1'18**
Latin America	15.2
Europe & Africa	12.9
CIS	12.3
Asia & Turkey	22.9
Oriflame	**10.5**

€ Sales Growth in %	**Q1'18**
Latin America	(4)
Europa & Africa	(2)
CIS	(17)
Asia & Turkey	9
Oriflame	**(3)**

Cash Flow, €m	**Q1'18**
Operating cash flow	24.9
Cash flow used in investing activities	(3.1)

Quarterly Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments

Financial summary	**Q4'16**	**Q1'17**	**Q2'17**	**Q3'17**	**Q4'17**	**Q1'18***
Sales, €m	355.1	340.1	347.6	295.3	380.1	334.1
Gross margin, %	71.2	71.6	72.9	73.8	73.7	72.5
EBITDA, €m	49.0	40.4	47.9	40.0	63.5	42.1
Operating profit, €m	42.0	29.8	40.5	32.5	56.3	30.6
Operating margin, %	11.8	8.8	11.7	11.0	14.8	9.2
Net profit before income tax, €m	37.3	27.4	29.7	24.8	51.3	27.3
Net profit, €m	25.2	19.5	19.9	17.4	35.8	18.7
EPS, diluted €	0.44	0.34	0.35	0.30	0.62	0.32
Cash flow from op. activities, €m	61.7	(1.5)	33.9	11.2	79.0	24.9
Net interest-bearing debt, €m	82.3	92.7	82.4	85.4	23.5	16.3
Registered actives, '000	3,006	2,991	2,806	2,646	3,067	3,034

Sales, €m	**Q4'16**	**Q1'17**	**Q2'17**	**Q3'17**	**Q4'17**	**Q1'18***
Latin America	39.8	35.3	40.9	40.4	41.0	32.5
Europe & Africa	95.3	81.3	80.3	70.7	92.4	78.5
CIS	93.9	99.5	92.9	69.9	94.5	84.6
Asia & Turkey	123.3	118.2	130.3	111.7	150.0	131.6
Manufacturing	0.6	4.5	1.4	0.8	0.3	5.3
Other	2.2	1.3	1.8	1.8	1.9	1.6
Oriflame	**355.1**	**340.1**	**347.6**	**295.3**	**380.1**	**334.1**

Operating Profit, €m	**Q4'16**	**Q1'17**	**Q2'17**	**Q3'17**	**Q4'17**	**Q1'18***
Latin America	5.8	3.3	6.0	5.9	5.5	4.0
Europe & Africa	16.8	10.4	10.4	9.2	15.2	8.5
CIS	14.0	11.1	9.7	9.9	14.6	10.6
Asia & Turkey	27.6	21.1	28.0	22.1	39.1	27.7
Manufacturing	1.6	4.9	4.4	1.3	(1.5)	3.2
Other	(23.8)	(21.0)	(18.0)	(15.9)	(16.6)	(23.4)
Oriflame	**42.0**	**29.8**	**40.5**	**32.5**	**56.3**	**30.6**

Registered actives, '000	**Q4'16**	**Q1'17**	**Q2'17**	**Q3'17**	**Q4'17**	**Q1'18***
Latin America	288	266	284	299	280	264
Europe & Africa	812	802	734	674	783	750
CIS	926	889	794	698	859	836
Asia & Turkey	980	1,034	994	975	1,145	1,184
Oriflame	**3,006**	**2,991**	**2,806**	**2,646**	**3,067**	**3,034**

Operating Margin, %	**Q4'16**	**Q1'17**	**Q2'17**	**Q3'17**	**Q4'17**	**Q1'18***
Latin America	14.5	9.5	14.8	14.6	13.5	12.3
Europe & Africa	17.7	12.8	12.9	13.0	16.5	10.8
CIS	14.9	11.2	10.5	14.2	15.5	12.5
Asia & Turkey	22.4	17.8	21.5	19.8	26.0	21.1
Oriflame	**11.8**	**8.8**	**11.7**	**11.0**	**14.8**	**9.2**

€ Sales Growth in %	**Q4'16**	**Q1'17**	**Q2'17**	**Q3'17**	**Q4'17**	**Q1'18***
Latin America	12	20	6	(1)	3	(8)
Europa & Africa	(2)	(1)	(1)	0	(3)	(3)
CIS	(10)	15	19	4	1	(15)
Asia & Turkey	23	14	19	15	22	11
Oriflame	**5**	**11**	**12**	**6**	**7**	**(2)**

Cash Flow, €m	**Q4'16**	**Q1'17**	**Q2'17**	**Q3'17**	**Q4'17**	**Q1'18***
Operating cash flow	61.7	(1.5)	33.9	11.2	79.0	24.9
Cash flow used in investing activities	(4.6)	(3.0)	(3.0)	(3.8)	(6.1)	(3.1)

*Figures excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The numbers are fully comparable with 2017 reported figures.

Condensed consolidated interim financial statements 31 March 2018
Important clarifying information IFRS

Please note that due to accounting principles and the chosen implementation options of the new IFRS standards, the condensed consolidated financial statements on pages 17-21 in the interim report is calculated in accordance with IFRS (following the adoption of IFRS 15 and IFRS 16). For adjusted 2018 figures that are comparable with the 2017 figures, (excluding the impact of IFRS 15, IFRS 16 and related accounting alignments) please see pages 1-16 in the interim report.

Condensed consolidated income statements

	3 months ended 31 March		
€'000	**2018***	**2017**	**Year End 2017**
Sales	330,829	340,134	1,363,111
Cost of sales	(100,330)	(96,730)	(368,547)
Gross profit	**230,499**	**243,404**	**994,564**
Other income	-	11,957	45,311
Selling and marketing expenses	(115,989)	(129,590)	(500,577)
Distribution and infrastructure	(6,715)	(24,433)	(95,384)
Administrative expenses	(73,013)	(71,569)	(284,884)
Operating profit	**34,782**	**29,769**	**159,030**
Financial income	7,948	7,590	47,338
Financial expenses	(12,456)	(9,940)	(73,188)
Net financing costs	**(4,508)**	**(2,350)**	**(25,850)**
Net profit before income tax	**30,274**	**27,419**	**133,180**
Total income tax expense	(9,252)	(7,936)	(40,626)
Net profit	**21,022**	**19,483**	**92,554**

*Figures following the adoption of IFRS 15 and IFRS 16.

Earnings per share

	3 months ended 31 March		
€	**2018***	**2017**	**Year end 2017**
EPS:			
- basic	0.38	0.35	1.66
- diluted	0.36	0.34	1.62
Weighted avg. number of shares outstanding:			
- basic	56,041,838	55,740,805	55,740,805
- diluted	57,655,129	56,944,134	57,217,925
Total number of shares outstanding (excluding treasury shares)	56,427,790	55,740,805	55,740,805

*Figures following the adoption of IFRS 15 and IFRS 16.

Condensed consolidated statements of comprehensive income

€'000	2018*	2017	Year end 2017
Profit attributable to owners of the Company	**21,022**	**19,483**	**92,554**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of net defined liability, net of tax	-	-	(1,356)
Revaluation reserve for property, plant & equipment	-	223	-
Total items that will not be reclassified subsequently to profit or loss	**-**	***223***	***(1,356)***
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	(3,859)	7,896	(13,964)
Effective portion of changes in fair value of cash flow hedges, net of tax	(827)	(389)	3,145
Total items that are or may be reclassified subsequently to profit or loss	***(4,686)***	***7,507***	***(10,819)***
Other comprehensive income for the period, net of tax	**(4,686)**	**7,730**	**(12,175)**
Total comprehensive income for the period attributable to owners of the Company	**16,336**	**27,213**	**80,379**

*Figures following the adoption of IFRS 15 and IFRS 16.

Condensed consolidated statements of financial position

€'000	31 March, 2018*	31 December, 2017	31 March, 2017
Assets			
Property, plant and equipment	148,492	152,919	169,502
Right of use Assets	82,314	-	-
Intangible assets	14,171	14,595	13,928
Investment property	542	542	542
Deferred tax assets	38,046	31,136	31,382
Other long-term receivables	82	105	929
Total non-current assets	**283,647**	**199,297**	**216,283**
Inventories	160,036	165,509	172,519
Trade and other receivables	70,232	79,812	76,981
Tax receivables	8,887	8,810	8,201
Prepaid expenses	21,418	27,954	38,292
Derivative financial assets	21,545	29,682	68,988
Cash and cash equivalents	222,589	221,399	170,691
Total current assets	**504,707**	**533,166**	**535,672**
Total assets	**788,354**	**732,463**	**751,955**
Equity			
Share capital	80,745	79,850	79,850
Treasury shares	(566)	(90)	(90)
Share premium	571,590	548,474	632,085
Reserves	(174,244)	(164,732)	(153,749)
Retained earnings	(263,643)	(241,906)	(313,621)
Total equity attributable to the owners of the company	**213,882**	**221,596**	**244,475**
Liabilities			
Interest-bearing loans	258,411	195,113	196,645
Other long-term liabilities	3,930	3,983	3,992
Net defined benefit liability	5,020	4,938	3,917
Deferred income	4,593	309	289
Deferred tax liabilities	1,897	2,502	2,848
Total non-current liabilities	**273,851**	**206,845**	**207,691**
Current portion of interest-bearing loans	66,227	48,477	65,637
Trade and other payables	78,579	91,746	78,570
Dividend payables	129	14,049	31
Deferred Income	8,968	311	390
Tax payables	10,338	15,669	18,916
Accrued expenses	130,300	127,811	125,145
Derivative financial liabilities	3,378	2,392	6,774
Provisions	2,702	3,567	4,326
Total current liabilities	**300,621**	**304,022**	**299,789**
Total liabilities	**574,472**	**510,867**	**507,480**
Total equity and liabilities	**788,354**	**732,463**	**751,955**

*Figures following the adoption of IFRS 15 and IFRS 16.

Condensed consolidated statements of changes in equity following the adoption of IFRS 15 and IFRS 16

€'000	Share capital	Treasury shares	Share Premium	Reserves	Retained earnings	Total Equity
At 1 January 2017	**79,850**	**(90)**	**632,085**	**(167,017)**	**(333,104)**	**211,724**
Net profit	-	-	-	-	19,483	19,483
Other comprehensive income, net of tax	-	-	-	7,730	-	7,730
Total comprehensive income for the period	**-**	**-**	**-**	**7,730**	**19,483**	**27,213**
Share incentive plan	-	-	-	5,538	-	5,538
Total contributions and distributions	**-**	**-**	**-**	**5,538**	**-**	**5,538**
At 31 March 2017	**79,850**	**(90)**	**632,085**	**(153,749)**	**(313,621)**	**244,475**
At 1 January 2018	**79,850**	**(90)**	**548,474**	**(164,732)**	**(241,906)**	**221,596**
Adjustment from adoption of IFRS 15, IFRS 16 (net of tax) and accounting alignments	-	-	-	-	(25,996)	(25,996)
Restated balance at 1 January 2018	**79,850**	**(90)**	**548,474**	**(164,732)**	**(267,902)**	**195,600**
Net profit	-	-	-	-	21,022	21,022
Other comprehensive income, net of tax	-	-	-	(4,686)	-	(4,686)
Total comprehensive income for the period	**-**	**-**	**-**	**(4,686)**	**21,022**	**16,336**
Issue of new shares	895		23,116	(7,248)	(16,763)	-
Purchase of treasury shares		(476)		829		353
Share incentive plan	-	-	-	1,593	-	1,593
Total contributions and distributions	**895**	**(476)**	**23,116**	**(4,826)**	**(22,919)**	**(4,210)**
At 31 March 2018	**80,745**	**(566)**	**571,590**	**(174,244)**	**(263,643)**	**213,882**

Condensed consolidated statements of cash flows

	3 months ended 31 March	
€'000	**2018***	**2017**
Operating activities		
Net profit before income tax	**30,274**	**27,419**
Adjustments for:		
Depreciation of property, plant and equipment	9,118	4,673
Amortisation of intangible assets	450	422
Change in fair value of borrowings and derivatives financial instruments	955	(144)
Deferred income	(3,413)	(37)
Share incentive plan	1,946	5,538
Unrealised exchange rate differences	(971)	(5,000)
Profit on disposal of property, plant and equipment, intangible assets	(42)	(3)
Financial income	(2,781)	(4,156)
Financial expenses	5,679	5,635
Operating profit before changes in working capital and provisions	**41,215**	**34,347**
(Increase)/decrease in trade and other receivables, prepaid expenses and derivative financial assets	3,590	(7,158)
(Increase)/decrease in inventories	8,176	1,412
Increase in trade and other payables, accrued expenses and derivatives financial liabilities	(8,972)	(16,752)
Increase/(decrease) in provisions	317	(904)
Cash generated from operations	**44,326**	**10,945**
Interest received	3,349	3,805
Interest and bank charges paid	(5,367)	(4,435)
Income taxes paid	(17,410)	(11,786)
Cash flow from operating activities	**24,898**	**(1,471)**
Investing activities		
Proceeds on sale of property, plant and equipment, intangible assets	182	31
Purchases of property, plant, equipment	(3,187)	(2,523)
Purchases of intangible assets	(53)	(468)
Cash flow used in investing activities	**(3,058)**	**(2,960)**
Financing activities		
Decrease of finance lease liabilities	(5,851)	-
Dividends paid	(13,906)	(11,114)
Cash flow used in financing activities	**(19,757)**	**(11,114)**
Change in cash and cash equivalents	**2,083**	**(15,545)**
Cash and cash equivalents at the beginning of the period net of bank overdrafts	221,345	185,365
Effect of exchange rate fluctuations on cash held	(914)	780
Cash and cash equivalents at the end of the period net of bank overdrafts	**222,514**	**170,600**

*Figures following the adoption of IFRS 15 and IFRS 16.

Notes to the condensed consolidated interim financial statements 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 condensed consolidated interim financial statements of the Company as at and for the three months ended 31 March 2018 comprise 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 condensed consolidated interim financial statements for the three months period ended 31 March 2018 have 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 2017. They do not include all of the information required for a complete set of IFRS financial statements. This is the first set of the Group's financial statements where IFRS 15, IFRS 16 and IFRS 9 have been applied. Changes to significant accounting policies are described below.
The condensed consolidated interim financial statements were authorised for issue by the Directors on 3 May 2018.

Change in significant accounting policies, use of judgements and estimates

Except as described below, the accounting policies, significant judgements and key sources of estimation uncertainty applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2017.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

From 1st January 2018, IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers have become effective. In addition, the Group has decided to early adopt IFRS 16 Leases at the same time as IFRS 15. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on the Group's financial statements

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expendients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

The following table summarises the impact, net of tax, of transition to IFRS 15 on retained earnings at 1 January 2018.

€'000	Amounts without adoption of IFRS 15
Retained earnings	
Revenue recognition based on the transfer of control	9,024
Performance obligations	12,060
Related tax	(4'916)
Impact at 1 January 2018	16'168

Impact on the condensed interim statement of profit or loss and OCI

	For the three months ended 31 March		
€'000	**As reported**	**Adjustments**	**Amounts without adoption of IFRS 15**
Sales	330,829	3,314	334,143
Cost of sales	(100,330)	8,538	(91,792)
Gross profit	**230,499**	**11,852**	**242,351**
Other income	-	10,562	10,562
Selling and marketing expenses	(115,989)	(14,855)	(130,844)
Distribution and infrastructure	(6,715)	(15,348)	(22,063)
Administrative expenses	(73,013)	(18)	(73,031)
Operating profit	**34,782**	**(7,807)**	**26,975**
Net profit before income tax	**30,274**	**(7,807)**	**22,467**
Total income tax expense	(9,252)	1,757	(7,495)
Net profit	**21,022**	**(6,050)**	**14,972**
Total comprehensice income for the period	**16,336**	**(6,050)**	**10,286**

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's revenue are set out below.

Sales revenue under IFRS 15

i. Sale of goods

Revenue, which excludes value added tax and other applicable turnover taxes, represent sales to individual sales consultants and licensed distributors or, in the case of mail order and retail sales, to individual customers or, in case of 3rd party suppliers, royalties income. Sales are recognised in the consolidated income statements when the control of the goods have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

ii. Sales programmes

Revenue is allocated between the sales programmes and the other components of sale. The amount allocated to loyalty programmes is deferred, and is recognised as revenue when the Group has fulfilled its obligation to supply the free or discounted products under the terms of the programmes or when it is no longer probable that the points under the programmes will be redeemed.

iii. Other income

Other income comprises of catalogue sales, freight and rental income is not shown anymore as other income. These amounts are booked as cost reduction to the underlying cost stream as this is not representing a revenue stream for the group.

Nature of change in accounting policy.

i. Sale of goods
Under IAS 18 Revenue, which excludes value added tax and other applicable turnover taxes, represent sales to individual sales consultants and licensed distributors or, in the case of mail order and retail sales, to individual customers or, in case of 3rd party suppliers, royalties income. Sales were recognised in the consolidated income statements when the significant risks and rewards of ownership have been transferred to the buyer. No revenue werer recognised if there are significant uncertainties regarding recovery of the consideration due.

ii. Loyalty programmes
Under IAS 18 Revenue were allocated between the loyalty programmes and the other components of sale. The amount allocated to loyalty programmes were deferred, and were recognised as revenue when the Group had fulfilled its obligation to supply the free or discounted products under the terms of the programmes or when it was no longer probable that the points under the programmes wouldl be redeemed.

iii. Other income
Under IAS 18 Other income comprised catalogues sales, freight income and rental income.

IFRS 16 Leases

IFRS 16 replaces existing leases guidance, including IAS 17 Leases and related interpretations. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obliation to make lease payments. IFRS 16 implementation is based on the modified retrospective option This has resulted in the recognition of Right-of-Use Assets of €87.7m, new lease liabilities of €93.9m and related tax of €1.1m as of 1 January 2018. The impact on the retained earnings net of tax (due to the incremental borrowing option) is €-5.1m.

The initial adoption of IFRS 9 has no significant impact on the consolidated financial statements.