Partylite ApS

Esplanaden 7, 3. tv., 1263 København K

CVR No. 28 72 00 17

Annual report
for the year ended 31 December 2013

Approved at the annual general meeting of shareholders on 28 May 2014

As chairman:

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Martin Köhler

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Contents

Management's review

The company's business review

The company's primary activities are sale and distribution of candles and accessories, decor and personal care products.

Financial review

The income statement for 2013 shows a profit of DKK 292,761 against DKK 259,400 last year, and the balance sheet at 31 December 2013 shows equity of DKK 4,973,560.

Post balance sheet events

No significant events have occurred subsequent to the financial year-end.

Statement by management on the annual report

Today, management has discussed and approved the annual report of Partylite ApS for the financial year 1 January - 31 December 2013.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2013 and of the results of the company's operations for the financial year 1 January - 31 December 2013.

In our opinion, the management's review includes a fair review of the matters dealt with in the management's review.

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 28 May 2014

Executive board:

Marko Olavi Sareenkanta

Supervisory board:

Martin Köhler	William Charles Looney III	Marko Olavi Saarenkanta

To the shareholders of Partylite ApS

Report on financial statements

We have audited the financial statements of Partylite ApS for the financial year 1 January - 31 December 2013, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Further, management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view.

The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion
In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2013 and of the results of its operations for the financial year 1 January - 31 December 2013 in accordance with the Danish Financial Statements Act.

Statement according to other laws and regulations

Emphasis-of-matter paragraph concerning other matters
The company's servers are located abroad and no back-up is stored in Denmark, which is contrary to the Danish Bookkeeping Act. As a result, the members of the supervisory board may be held liable. The company has initiated a process to apply for exemption to retain the servers outside of Denmark.

Statement on the management's review

In accordance with the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Copenhagen, 28 May 2014
Ernst & Young
Godkendt Revisionspartnerselskab

Christian Schwenn Johansen
state authorised public accountant

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Income statement for the year ended 31 December

Notes		2013 DKK	2012 DKK
	Gross margin	**660.244**	**625.702**
2	Staff costs	0	118.797
3	Depreciation of property, plant and equipment	0	3.975
	Operating profit/loss	**660.244**	**502.930**
4	Financial income	55.165	110.694
5	Financial expenses	225.595	213.999
	Pre-tax profit/loss	**489.814**	**399.625**
6	Tax for the year	197.053	140.225
	Profit/loss for the year	**292.761**	**259.400**
	Recommended appropriation of the profit/loss for the year		
	Retained earnings/accumulated loss	292.761	259.400
		292.761	**259.400**

Balance sheet at 31 December

Notes		2013 DKK	2012 DKK
	Assets		
	Current assets		
	Trade receivables	64.766	115.660
	Receivables from group entities	3.854.720	3.916.336
	Income taxes receivable	13.350	33.075
	Deferred tax assets	0	23.090
	Prepayments	221.492	19.432
	Other receivables	4.314	13.984
	Receivables	4.158.642	4.121.577
	Cash	2.231.540	2.304.168
	Total current assets	6.390.182	6.425.745
	Total assets	6.390.182	6.425.745

Balance sheet at 31 December

Notes		2013 DKK	2012 DKK
	Equity and liabilities		
	Equity		
7	Share capital	125.000	125.000
	Retained earnings/Accumulated loss	4.848.560	4.555.799
	Total equity	**4.973.560**	**4.680.799**
	Provisions		
	Provisions for deferred tax	284	0
	Total provisions	**284**	**0**
	Liabilities		
	Prepayments received from customers	31.819	0
	Trade payables	49.956	87.817
	Payables to group entities	495.757	546.779
	Deferred income	0	89.147
	Other payables	838.806	1.021.203
	Short-term liabilities	**1.416.338**	**1.744.946**
	Total liabilities	**1.416.338**	**1.744.946**
	Total equity and liabilities	**6.390.182**	**6.425.745**

Statement of changes in equity

(DKK)	Share capital	Retained earnings/accu-mulated loss	Total
Equity at 1/1 2013	125.000	4.555.799	4.680.799
Profit/loss for the year, cf. appropriation of profit/loss		292.761	292.761
Equity at 31/12 2013	**125.000**	**4.848.560**	**4.973.560**

1. Accounting policies

The annual report of Partylite ApS has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rate at the date of the transaction.

Income statement

Revenue

Income from the supply of services is recognised as revenue with reference to the stage of completion.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Depreciation of property, plant and equipment

The item comprises depreciation of property, plant and equipment.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost and less expected residual value.

The expected useful lives and the residual value of the assets are as follows:

	Useful life (year)	Residual value DKK
Other fixtures and fittings, tools and equipment	3	0

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

1. Accounting policies - continued

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash comprises cash balances and bank balances.

Equity

Proposed dividend

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Income tax

Current tax payables and receivables are recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date, when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities.

Other payables

Other payables are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

	2013 DKK	2012 DKK
2. Staff costs		
Analysis of staff costs:		
Wages/salaries	0	102.444
Other social security costs	0	16.353
	0	118.797

The company has no employees.

	2013 DKK	2012 DKK
3. Depreciation of property, plant and equipment		
Depreciation of property, plant and equipment	0	3.975
	0	3.975

	2013 DKK	2012 DKK
4. Financial income		
Interest receivable, group entities	54.660	110.284
Other financial income	505	410
	55.165	110.694

	2013 DKK	2012 DKK
5. Financial expenses		
Exchange adjustments	118	4.595
Other financial expenses	225.477	209.404
	225.595	213.999

	2013 DKK	2012 DKK
6. Tax for the year		
Estimated tax charge for the year	130.650	157.500
Deferred tax adjustments in the year	23.374	-23.090
Tax adjustments, prior years	43.029	5.815
	197.053	140.225

	31/12 2013 DKK	31/12 2012 DKK
7. Share capital		
Analysis of the company's share capital, DKK 125.000 :		
125 share(s) of DKK 1.000 each	125.000	125.000
	125.000	**125.000**

The company's share capital has remained DKK 125,000 over the past 5 years.

8. Security for loans

The company has not placed any assets or other as security for loans at 31/12 2013.

9. Related parties

Information about consolidated financial statements:

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Blyth Inc.	One East Weaver Street, Greenwich, CT 06831-5118 USA	www.blyth.com