Partylite ApS

Esplanaden 7, 3. tv., 1263 København K

CVR No. 28 72 00 17

Annual report
for the year ended 31 December 2014

Approved at the annual general meeting of shareholders on 23 June 2015

Chairman:

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Martin Köhler

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Contents

Company details

Name	Partylite ApS
Address, Postal code, City	Esplanaden 7, 3. tv., 1263 København K
CVR No.	28 72 00 17
Established	6 June 2005
Registered office	København
Financial year	1 January - 31 December
Website	www.partylite.com
Board of Directors	Martin Köhler William Charles Looney III Marko Olavi Saarenkanta
Executive Board	Marko Olavi Sareenkanta
Auditors	Ernst & Young, Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank Nordea

Operating 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 2014 shows a profit of DKK 202,639 against a profit of DKK 292,761 last year, and the balance sheet at 31 December 2014 shows equity of DKK 5,176,199.

Post balance sheet events

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

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Partylite ApS for the financial year 1 January - 31 December 2014.

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 2014 and of the results of the Company's operations for the financial year 1 January - 31 December 2014.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 23 June 2015

Executive Board:

Marko Olavi Sareenkanta

Board of Directors:

Martin Köhler	William Charles Looney III	Marko Olavi Saarenkanta

To the shareholders of Partylite ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Partylite ApS for the financial year 1 January - 31 December 2014, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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.

Auditors' 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 auditors' 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 Company'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 Company'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 2014 and of the results of its operations for the financial year 1 January - 31 December 2014 in accordance with the Danish Financial Statements Act.

Report on other legal and regulatory requirements

Emphasis-of-matter paragraph concerning other matters

The company's servers are located abroad. There is no on-line access from Denmark to the data etc. preserved at the servers, which is contrary to the Danish Bookkeeping Act. As a result, the members of the supervisory board may be held liable.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other 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, 23 June 2015
ERNST & YOUNG
Godkendt Revisionspartnerselskab

Bo Leinum
state authorised public accountant

Income statement for the year ended 31 December

Notes		2014 DKK	2013 DKK
	Gross profit	**368,435**	**660,244**
2	Staff costs	0	0
	Operating profit	**368,435**	**660,244**
3	Financial income	57,608	55,165
4	Financial expenses	-146,487	-225,595
	Profit before tax	**279,556**	**489,814**
5	Tax for the year	-76,917	-197,053
	Profit/loss for the year	**202,639**	**292,761**
	Recommended appropriation of the profit/loss for the year		
	Retained earnings	202,639	292,761
		202,639	**292,761**

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Balance sheet at 31 December

Notes		2014 DKK	2013 DKK
	Assets		
	Current assets		
	Trade receivables	34,185	64,766
	Receivables from group entities	3,800,000	3,854,720
	Income taxes receivable	39,430	13,350
	Other receivables	0	4,314
	Prepayments	57,863	221,303
	Receivables	3,931,478	4,158,453
	Cash	2,756,212	2,231,540
	Total current assets	6,687,690	6,389,993
	Total assets	6,687,690	6,389,993

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Balance sheet at 31 December

Notes		2014 DKK	2013 DKK
	Equity and liabilities		
	Equity		
6	Share capital	125,000	125,000
	Retained earnings/Accumulated loss	5,051,199	4,848,560
	Total equity	5,176,199	4,973,560
	Provisions		
	Provisions for deferred tax	8,684	284
	Total provisions	8,684	284
	Liabilities		
	Prepayments received from customers	122,475	31,630
	Trade payables	65,489	49,956
	Payables to group entities	633,635	495,757
	Other payables	681,208	838,806
	Short-term liabilities	1,502,807	1,416,149
	Total liabilities	1,502,807	1,416,149
	Total equity and liabilities	6,687,690	6,389,993

Statement of changes in equity

(DKK)	Share capital	Retained earnings	Total
Equity at 1/1 2014	125,000	4,848,560	4,973,560
Profit/loss for the year, cf. appropriation of profit/loss		202,639	202,639
Equity at 31/12 2014	**125,000**	**5,051,199**	**5,176,199**

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 when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be recevied.

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 profit

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 profit'.

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.

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

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.

1. Accounting policies - continued

Equity

Proposed dividends

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

Corporation tax

Current tax payable and receivable is 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.

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.

2. Staff costs

The company has no employees.

	2014 DKK	2013 DKK
3. Financial income		
Interest receivable, group entities	57,608	54,660
Exchange adjustments	0	505
	57,608	55,165

4. Financial expenses		
Exchange adjustments	7,359	118
Other financial expenses	139,128	225,477
	146,487	225,595

5. Tax for the year		
Estimated tax charge for the year	68,517	130,650
Deferred tax adjustments in the year	8,400	23,374
Tax adjustments, prior years	0	43,029
	76,917	197,053

6. Share capital		
Analysis of the company's share capital, DKK 125,000 :		
125 share(s) of DKK 1,000.00 each	125,000	125,000
	125,000	125,000

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

7. Security for loans

The Company has not pledge any assets or other as security for loans at 31/12 2014.

8. 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