

Sales at September 30th, 2015

STRONG SALES GROWTH: +13.2%

18.76 billion euros, i.e. +3.7% like-for-like

- **Strengthening of the growth in the Consumer Products Division and North America**
- **Growth rate in Western Europe maintained**
- **Temporary slowdown in the third quarter of L'Oréal Luxe in Asia**
- **Strong increase of e-commerce sales***
- **Confidence in achieving a year of significant sales and profit growth**

Commenting on the figures, Mr Jean-Paul Agon, Chairman and Chief Executive Officer of L'Oréal, said:

"At the end of September, the Group's reported growth is strong, at +13.2%, still supported by a very positive currency effect.

In the third quarter, the Consumer Products Division is confirming the gradual strengthening of its growth, notably through strong momentum in make-up with its three brands: Maybelline, L'Oréal Paris and NYX. The Active Cosmetics Division continues to forge ahead and the Professional Products Division keeps outperforming a lacklustre market.

L'Oréal Luxe experienced a temporary slowdown as a result of market turbulence over the summer in Asia, in Hong Kong and in Travel Retail.

By geographic zone, North America's growth is gradually increasing and Western Europe confirms its positive trend. In the third quarter, the New Markets have been hampered by the difficult Brazilian market, market turbulence in Asia and the taking over of agents' contracts in the Middle East. In China, sales growth is in line with earlier quarters.

Despite a global context that is still volatile, we are confident for the year end.

The beauty market remains dynamic. In each Division, our brands are pushing forward with successes such as Maybelline and NYX in the Consumer Products Division, Yves Saint Laurent, Kiehl's and Urban Decay at L'Oréal Luxe, Redken in the Professional Products Division and La Roche-Posay at Active Cosmetics.

Finally, the acceleration of our digital transformation is making us stronger, in particular with the rapid increase (+40%) of our e-commerce sales which should significantly exceed one billion euros this year.*

We are confirming our ambition to outperform once again the beauty market in 2015 and to achieve significant growth in both sales and profits."

* Sales achieved on our brands' own websites + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data); like-for-like growth.

A – Sales at September 30th, 2015

Like-for-like, i.e. based on a comparable structure and identical exchange rates, the sales growth of the L'Oréal group was +3.7%.

The net impact of changes in scope of consolidation was +1.2%.

Growth at constant exchange rates was +4.9%.

Currency fluctuations had a positive impact of +8.3%. If end of September exchange rates (€1 at \$1.12) are extrapolated up to December 31st, the impact of currency fluctuations would be +6.7% for the whole of 2015.

Based on reported figures, the Group's sales at September 30th, 2015 amounted to 18.76 billion euros, an increase of +13.2%.

Sales by operational Division and geographic Zone

	3 rd quarter 2015			At September 30 th , 2015		
	€m	Growth Like-for-like	Growth Reported	€m	Growth Like-for-like	Growth Reported
<u>By operational Division</u>						
Professional Products	811.1	2.5%	8.8%	2,551.4	3.2%	13.4%
Consumer Products	2,799.3	3.3%	8.7%	8,960.7	2.3%	11.2%
L'Oréal Luxe	1,705.3	4.2%	13.8%	5,192.0	5.8%	17.9%
Active Cosmetics	409.4	8.0%	7.6%	1,428.0	7.3%	9.7%
Cosmetics Divisions total	5,725.1	3.8%	10.1%	18,132.1	3.8%	13.2%
<u>By geographic Zone</u>						
Western Europe	1,873.0	2.5%	4.4%	6,033.9	2.1%	4.5%
North America	1,621.4	3.8%	22.5%	4,947.7	3.0%	25.4%
New Markets, of which:	2,230.7	4.8%	7.1%	7,150.6	5.8%	13.7%
- Asia, Pacific	1,268.8	3.3%	14.7%	4,056.6	4.4%	21.9%
- Latin America	455.0	5.9%	-2.3%	1,405.1	5.5%	4.7%
- Eastern Europe	342.1	9.4%	-7.6%	1,145.3	9.5%	-4.1%
- Africa, Middle East	164.8	4.4%	17.9%	543.6	9.8%	28.1%
Cosmetics Divisions total	5,725.1	3.8%	10.1%	18,132.1	3.8%	13.2%
The Body Shop	212.5	0.5%	11.6%	624.3	2.0%	12.6%
Group total	5,937.5	3.7%	10.1%	18,756.4	3.7%	13.2%

PROFESSIONAL PRODUCTS

At the end of September, the Professional Products Division posted growth of +3.2% like-for-like and +13.4% based on reported figures.

- Haircare is the largest contributor to growth, powerfully driven by the latest innovations, such as *Thérapeute* by *Kérastase*, *Pro Fiber* by *L'Oréal Professionnel*, and *Frizz Dismiss* by *Redken*. The dynamic trend in hair colour is continuing across all brands. Professional skincare with *Carita* is expanding rapidly in Western Europe.
- All the geographic Zones are growing. Eastern Europe is accelerating, while Brazil is slowing the growth rate in Latin America.

CONSUMER PRODUCTS

At the end of September, the Division recorded an increase of +2.3% like-for-like and +11.2% based on reported figures. The gradual improvement of its growth is continuing.

- Thanks to the new momentum of *Maybelline*, the strong expansion of *NYX*, and the success of *L'Oréal Paris*, with its franchise *Infallible* for example, the Division is strengthening its leadership in a make-up market it is helping to boost. Haircare is winning market share, thanks notably to *L'Oréal Paris*. For *Garnier*, the *Ultimate Blends* saga has continued with successful launches in many European countries.
- The Division is outperforming the market in Eastern Europe, in the Asia, Pacific and Africa, Middle East Zones. The strong make-up dynamic is accelerating the Division's growth in the United States. E-commerce is growing fast across all Zones.

L'ORÉAL LUXE

L'Oréal Luxe posted growth of +5.8% like-for-like and +17.9% based on reported figures.

- *Yves Saint Laurent* is expanding strongly, driven by make-up, men's fragrances with *L'Homme* and women's fragrances with *Black Opium*. *Giorgio Armani* has remained dynamic across all geographic Zones. *Urban Decay* is accelerating worldwide with the high-profile launch of the *Naked Smoky* palette, and is building a global beauty offering with initiatives in foundations and lipstick. *Kiehl's* is launching *Daily Reviving Oil Concentrate* and continuing its double-digit growth. Growth at *Lancôme* is being driven by market share gains in Europe, the success of the fragrances *La vie est belle*, *Miracle* and the newly released *La Nuit Trésor*, *Grandiose* and *Hypnôse Volume à Porter* mascaras; and the acceleration of its *Génifique* facial skincare.
- In a market that slowed in the third quarter in Asia and in Travel Retail, L'Oréal Luxe is strengthening its worldwide position with significant gains in Western Europe, in Asia, Pacific, in the Middle East and in Latin America.

ACTIVE COSMETICS

At the end of September, the Active Cosmetics Division further improved its performance with strong growth of +7.3% like-for-like and +9.7% based on reported figures.

- *Vichy* is innovating with *Neovadiol Substitutive Complex Serum*, a formula that acts on skin changes linked to menopause. *La Roche-Posay* is successfully renewing its expert franchise for oily skin with the launch of *Effaclar K(+)*. The brand is continuing to post double-digit growth in all geographic Zones, with outstanding performances in France, Brazil and China. The successful international roll-out of *SkinCeuticals* is continuing.
- All geographic Zones are contributing to growth. In the third quarter, growth accelerated in Western Europe, and the New Markets are maintaining their growth at more than 10%.

Multi-division summary by Geographic Zone

WESTERN EUROPE

Growth amounted to +2.1% like-for-like and +4.5% based on reported figures. L'Oréal Luxe is continuing to act as a growth driver in the Zone, reflecting the complementarity of the brands in its portfolio. In a mass-market channel that has remained lacklustre, the *Garnier* brand is winning market share in haircare and skincare. L'Oréal is continuing to outperform the market in Germany and the United Kingdom, notably thanks to the performances of L'Oréal Luxe.

NORTH AMERICA

L'Oréal posted growth of +3.0% like-for-like and +25.4% based on reported figures. The Active Cosmetics and Professional Products Divisions are driving growth, particularly thanks to the *La Roche-Posay* and *Redken* brands. *Kiehl's* and *Urban Decay* are contributing to the development of L'Oréal Luxe. The Consumer Products Division is accelerating, thanks in particular to the strengthening of its make-up positions with *L'Oréal Paris*, *Maybelline* and above all *NYX*, which is growing at a remarkable pace.

NEW MARKETS

- **Asia, Pacific:** At the end of September, L'Oréal posted growth of +4.4% like-for-like and +21.9% based on reported figures. *Kiehl's*, *Yves Saint Laurent* and *Giorgio Armani* are contributing to the dynamism of L'Oréal Luxe, in a context of slower third-quarter growth in Hong Kong and Travel Retail Asia. The Consumer Products Division is performing well in India, Australia and Thailand. In China, growth at *L'Oréal Paris* is accelerating, while *Magic* is undergoing a transitional period. The Active Cosmetics Division is growing strongly, thanks to the success of *La Roche-Posay*.
- **Latin America:** Sales grew by +5.5% like-for-like and +4.7% based on reported figures. Excluding Brazil, sales achieved double-digit growth, thanks to *L'Oréal Paris*, *Maybelline* and *Lancôme*. The Brazilian market is being held back by a very difficult economic environment and by the reform of the IPI (Tax on Industrialised Products).
- **Eastern Europe:** The Zone posted figures of +9.5% like-for-like and -4.1% based on reported figures. The Consumer Products and Professional Products Divisions recorded double-digit growth, boosted by Russia, Turkey and Ukraine. All the Divisions are continuing to gain market share in their distribution channels.
- **Africa, Middle East:** Sales growth amounted to +9.8% like-for-like and +28.1% based on reported figures. The reorganisation of part of our distribution network in the Gulf States caused a temporary growth slowdown in the third quarter. The Group is strengthening its positions at a time when most markets in the Zone are seeing their growth rates decelerate. Egypt and Saudi Arabia are still posting strong performances. *L'Oréal Paris* and *Garnier* are gaining market share. *Yves Saint Laurent*, *Giorgio Armani*, *Kérastase* and *La Roche-Posay* are also recording solid growth rates.

THE BODY SHOP

The Body Shop recorded growth of +2.0% like-for-like and +12.6% based on reported figures. The launch of two premium lines – *Spa* in bodycare and *Oils of Life* in facial skincare – is underpinning the brand's strategy of refocusing on skincare. Growth is continuing in Europe and the Middle East. Asian countries have recorded mixed performances, while growth in Australia is solid.

B – Important events during the period 07/01/15 to 09/30/15

- On September 3rd, three months ahead of COP 21, L'Oréal announced its ambition to become a “carbon balanced” company by 2020, reinforcing its commitment to fighting climate change. Through its sustainable sourcing projects, the Group aims to generate carbon gains equivalent to the amount of greenhouse gas emissions resulting from its activities.

“This news release does not constitute an offer to sell, or a solicitation of an offer to buy L'Oréal shares. If you wish to obtain more comprehensive information about L'Oréal, please refer to the public documents registered in France with the Autorité des Marchés Financiers, also available in English on our Internet site www.loreal-finance.com.

This news release may contain some forward-looking statements. Although the Company considers that these statements are based on reasonable hypotheses at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual results to differ materially from those indicated or projected in these statements.”

This is a free translation into English of the news release of the Sales at September 30th, 2015 issued in the French language and is provided solely for the convenience of English speaking readers. In case of discrepancy, the French version prevails.

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C – Appendix

L'Oréal group sales 2014/2015 (€ millions)

	2014	2015
<u>First quarter:</u>		
Cosmetics Divisions	5,462.2	6,243.9
The Body Shop	176.4	192.4
First quarter total	5,638.6	6,436.3
<u>Second quarter:</u>		
Cosmetics Divisions	5,348.5	6,163.1
The Body Shop	187.4	219.5
Second quarter total	5,536.0	6,382.6
<u>First half:</u>		
Cosmetics Divisions	10,810.8	12,407.0
The Body Shop	363.8	411.9
First half total	11,174.6	12,818.9
<u>Third quarter:</u>		
Cosmetics Divisions	5,200.7	5,725.1
The Body Shop	190.4	212.5
Third quarter total	5,391.1	5,937.5
<u>Nine months:</u>		
Cosmetics Divisions	16,011.4	18,132.1
The Body Shop	554.2	624.3
Nine months total	16,565.7	18,756.4
<u>Fourth quarter:</u>		
Cosmetics Divisions	5,646.7	
The Body Shop	319.6	
Fourth quarter total	5,966.4	
<u>Full year</u>		
Cosmetics Divisions	21,658.2	
The Body Shop	873.8	
Full year total	22,532.0	

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