

Appendix 2: compared consolidated income statements

€ millions	1st half 2017	1st half 2016 ⁽¹⁾	2016 (1)	REMINDER *	
				2016 Published data	1st half 2016
Net sales	13,411.9	12,496.0	24,916.3	12,894.6	25,837.1
Cost of sales	-3,780.5	-3,447.7	-7,068.6	-3,561.2	-7,341.7
Gross profit	9,631.4	9,048.3	17,847.7	9,333.4	18,495.4
Research and development	-425.1	-409.7	-841.2	-414.2	-849.8
Advertising and promotion	-3,913.5	-3,677.8	-7,264.4	-3,790.9	-7,498.7
Selling, general and administrative expenses	-2,762.4	-2,575.1	-5,236.0	-2,764.7	-5,607.0
Operating profit	2,530.4	2,385.7	4,506.1	2,363.6	4,539.9
Other income and expenses	-96.2	-522.0	-541.3	-522.5	-543.8
Operational profit	2,434.2	1,863.7	3,964.8	1,841.1	3,996.1
Finance costs on gross debt	-18.1	-4.7	-27.4	-6.5	-32.6
Finance income on cash and cash equivalents	21.3	22.0	39.0	22.0	39.1
Finance costs, net	3.2	17.3	11.6	15.5	6.5
Other financial income (expenses)	-13.1	-13.6	-25.8	-13.7	-25.8
Sanofi dividends	350.0	346.5	346.5	346.5	346.5
Profit before tax and associates	2,774.3	2,213.9	4,297.1	2,189.4	4,323.4
Income tax	-710.3	-710.7	-1,213.7	-707.6	-1,214.6
Share of profit in associates	-0.2	0.0	-0.1	-	-0.1
Net profit from continuing operations	2,063.8	1,503.1	3,083.4	1,481.8	3,108.7
Net profit from discontinued operations	-29.1	-21.4	25.3	-	-
Net profit	2,034.7	1,481.8	3,108.7	1,481.8	3,108.7
Attributable to:					
♦ owners of the company	2,037.5	1,479.5	3,105.8	1,479.5	3,105.8
♦ non-controlling interests	-2.8	2.3	2.9	2.3	2.9
Earnings per share attributable to owners of the company (euros)	3.65	2.65	5.55	2.65	5.55
Diluted earnings per share attributable to owners of the company (euros)	3.62	2.62	5.50	2.62	5.50
Earnings per share of continuing operations attributable to owners of the company (euros)	3.70	2.69	5.51	2.65	5.55
Diluted earnings per share of continuing operations attributable to owners of the company (euros)	3.67	2.66	5.46	2.62	5.50
Earnings per share of continuing operations attributable to owners of the company, excluding non-recurring items (euros)	3.91	3.66	6.47	3.62	6.52
Diluted earnings per share of continuing operations attributable to owners of the company, excluding non-recurring items (euros)	3.88	3.63	6.41	3.59	6.46

(1) The consolidated income statements for the year ended December 31st, 2016 and for the six months ended June 30th, 2016 are presented to reflect the impacts of IFRS 5 regarding discontinued operations.

* For consistency with the financial information provided outside of the financial statements, we believed it useful to show the Group's financial performance when The Body Shop was an integral part of its continuing operations.

Appendix 3: consolidated statement of comprehensive income

€ millions	1 st half 2017	1 st half 2016	2016
Consolidated net profit for the period	2,034.7	1,481.8	3,108.7
Financial assets available-for-sale	811.0	-435.1	-201.0
Cash flow hedges	83.6	-96.8	-124.0
Cumulative translation adjustments	-653.4	-188.7	19.6
Income tax on items that may be reclassified to profit or loss ⁽¹⁾	-57.8	50.3	86.3
Items that may be reclassified to profit or loss	183.4	-670.3	-219.1
Actuarial gains and losses	139.6	-514.1	-1.3
Income tax on items that may not be reclassified to profit or loss ⁽¹⁾⁽²⁾	-40.4	164.1	-39.3
Items that may not be reclassified to profit or loss	99.2	-350.0	-40.6
Other comprehensive income	282.6	-1,020.3	-259.7
Consolidated comprehensive income	2,317.2	461.5	2,849.0
Attributable to:			
♦ owners of the company	2,319.6	458.7	2,845.6
♦ non-controlling interests	-2.4	2.8	3.4

(1) The tax effect is as follows

€ millions	1 st half 2017	1 st half 2016	2016
Financial assets available-for-sale	-28.1	18.0	41.7
Cash flow hedges	-29.7	32.3	44.6
Items that may be reclassified to profit or loss	-57.8	50.3	86.3
Actuarial gains and losses	-40.4	164.1	-39.3
Items that may not be reclassified to profit or loss	-40.4	164.1	-39.3
TOTAL	-98.2	214.4	47.0

(2) Including €19.7 million at December 31st, 2016, arising on the remeasurement of deferred tax in France further to the planned change in the tax rate by 2020.

Appendix 4: compared consolidated balance sheets

ASSETS	06.30.2017	06.30.2016	12.31.2016
€ millions			
Non-current assets	26,010.1	23,788.6	25,584.6
Goodwill	9,064.4	7,721.8	8,792.5
Other intangible assets	2,694.4	2,819.9	3,179.4
Property, plant and equipment	3,591.8	3,484.4	3,756.9
Non-current financial assets	10,128.4	9,024.5	9,306.5
Investments in associates	1.0	0.9	1.0
Deferred tax assets	530.1	737.1	548.3
Current assets	11,271.8	9,609.6	10,045.6
<i>Current assets excluding assets held for sale</i>	9,994.6	9,609.6	10,045.6
Inventories	2,638.4	2,640.1	2,698.6
Trade accounts receivable	4,237.8	4,091.0	3,941.8
Other current assets	1,381.5	1,447.9	1,420.4
Current tax assets	50.9	89.5	238.8
Cash and cash equivalents	1,686.0	1,341.1	1,746.0
<i>Assets held for sale</i>	1,277.2	-	-
TOTAL	37,281.9	33,398.2	35,630.2
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EQUITY & LIABILITIES			
€ millions	06.30.2017	06.30.2016	12.31.2016
Equity	24,594.5	21,983.0	24,504.0
Share capital	112.0	112.2	112.4
Additional paid-in capital	2,889.4	2,743.6	2,817.3
Other reserves	14,684.8	13,891.1	13,951.6
Other comprehensive income	5,173.3	3,685.8	4,237.6
Cumulative translation adjustments	-242.7	202.7	410.9
Treasury stock	-56.4	-133.7	-133.6
Net profit attributable to owners of the company	2,037.5	1,479.5	3,105.8
Equity attributable to owners of the company	24,597.9	21,981.2	24,501.9
Non-controlling interests	-3.4	1.8	2.1
Non-current liabilities	1,682.7	2,356.1	1,918.9
Provisions for employee retirement obligations and related benefits	544.4	1,254.9	711.8
Provisions for liabilities and charges	367.8	233.8	333.3
Deferred tax liabilities	756.0	835.1	842.9
Non-current borrowings and debt	14.5	32.3	30.9
Current liabilities	11,004.7	9,059.1	9,207.3
<i>Current liabilities excluding liabilities relating to assets held for sale</i>	10,759.3	9,059.1	9,207.3
Trade accounts payable	3,996.8	3,961.9	4,135.3
Provisions for liabilities and charges	816.5	774.1	810.7
Other current liabilities	2,543.9	2,500.2	2,854.4
Income tax	238.6	170.2	173.2
Current borrowings and debt	3,163.5	1,652.7	1,233.7
<i>Liabilities relating to assets held for sale</i>	245.4	-	-
TOTAL	37,281.9	33,398.2	35,630.2

Appendix 5: consolidated statements of changes in equity

€ millions	Common shares outstanding	Share capital	Additional paid-in capital	Retained earnings and net profit	Other comprehensive income	Treasury stock	Cumulative translation adjustments	Equity attributable to owners of the company	Non-controlling interests	Total equity
At 12.31.2015	559,988,178	112.6	2,654.4	16,170.8	4,517.5	-233.3	391.9	23,613.9	3.1	23,617.0
Consolidated net profit for the period				3,105.8				3,105.8	2.9	3,108.7
Financial assets available-for-sale					-159.3			-159.3		-159.3
Cash flow hedges					-79.3			-79.3	-0.1	-79.4
Cumulative translation adjustments							19.0	19.0	0.6	19.6
Other comprehensive income that may be reclassified to profit and loss				-238.6			19.0	-219.6	0.5	-219.1
Actuarial gains and losses					-40.6			-40.6		-40.6
Other comprehensive income that may not be reclassified to profit and loss				-40.6			-40.6	-	-40.6	
Consolidated comprehensive income				3,105.8	-279.2		19.0	2,845.6	3.4	2,849.0
Capital increase	2,074,893	0.4	162.8					163.2		163.2
Cancellation of Treasury stock		-0.6		-498.9		499.5		-		-
Dividends paid (not paid on Treasury stock)				-1,741.9				-1,741.9	-3.4	-1,745.2
Share-based payment				120.4				120.4		120.4
Net changes in Treasury stock	-1,964,675			-99.3		-399.8		-499.1		-499.1
Purchase commitments for non-controlling interests								-	-0.1	-0.1
Changes in scope of consolidation				-0.8				-0.8	-0.9	-1.7
Other movements				1.2	-0.7			0.6	-0.1	0.5
At 12.31.2016	560,098,396	112.4	2,817.3	17,057.3	4,237.6	-133.6	410.9	24,501.9	2.1	24,504.0
Consolidated net profit for the period				2,037.5				2,037.5	-2.8	2,034.7
Financial assets available-for-sale					782.9			782.9		782.9
Cash flow hedges					53.6			53.6	0.3	53.9
Cumulative translation adjustments							-653.6	-653.6	0.2	-653.4
Other comprehensive income that may be reclassified to profit and loss				836.5		-653.6	182.9	0.5	183.4	
Actuarial gains and losses					99.2			99.2		99.2
Other comprehensive income that may not be reclassified to profit and loss				99.2			99.2	-	99.2	
Consolidated comprehensive income				2,037.5	935.7		-653.6	2,319.6	-2.4	2,317.2
Capital increase	958,123	0.2	72.1					72.3		72.3
Cancellation of Treasury stock		-0.6		-498.8		499.4		-		-
Dividends paid (not paid on Treasury stock)				-1,857.7				-1,857.7	-3.3	-1,861.0
Share-based payment				63.6				63.6		63.6
Net changes in Treasury stock	-1,860,384			-77.2		-422.2		-499.4		-499.4
Purchase commitments for non-controlling interests								-	0.2	0.2
Changes in scope of consolidation				-1.3				-1.3		-1.3
Other movements				-1.1				-1.1		-1.1
AT 06.30.2017	559,196,135	112.0	2,889.4	16,722.3	5,173.3	-56.4	-242.7	24,597.9	-3.4	24,594.5

| CHANGES IN FIRST-HALF 2016

€ millions	Common shares outstanding	Share capital	Additional paid-in capital	Retained earnings and net profit	Other comprehensive income	Treasury stock	Cumulative translation adjustments	Equity attributable to owners of the company	Non-controlling interests	Total equity
At 12.31.2015	559,988,178	112.6	2,654.4	16,170.8	4,517.5	-233.3	391.9	23,613.9	3.1	23,617.0
Consolidated net profit for the period				1,479.5				1,479.5	2.3	1,481.8
Financial assets available-for-sale					-417.1			-417.1		-417.1
Cash flow hedges					-64.5			-64.5	-	-64.5
Cumulative translation adjustments							-189.2	-189.2	0.5	-188.7
Other comprehensive income that may be reclassified to profit and loss				-481.6			-189.2	-670.8	0.5	-670.3
Actuarial gains and losses					-350.0			-350.0		-350.0
Other comprehensive income that may not be reclassified to profit and loss				-350.0			-350.0	-	-350.0	
Consolidated comprehensive income				1,479.5	-831.6		-189.2	458.7	2.8	461.5
Capital increase	1,132,692	0.2	89.2					89.3		89.3
Cancellation of Treasury stock		-0.6		-498.9		499.5		-		-
Dividends paid (not paid on Treasury stock)				-1,741.9				-1,741.9	-3.3	-1,745.2
Share-based payment				61.2				61.2		61.2
Net changes in Treasury stock	-1,965,215			-99.2		-399.9		-499.1		-499.1
Purchase commitments for non-controlling interests								-	0.1	0.1
Changes in scope of consolidation				-1.1				-1.1	-0.9	-2.0
Other movements				0.2				0.2		0.2
AT 06.30.2016	559,155,655	112.2	2,743.6	15,370.6	3,685.8	-133.7	202.7	21,981.2	1.8	21,983.0

Appendix 6: compared consolidated statements of cash flows

€ millions	1 st half 2017	1 st half 2016 ⁽¹⁾	2016 ⁽¹⁾	REMINDER *		
				2016 Published data	1 st half 2016	2016
Cash flows from operating activities						
Net profit attributable to owners of the company	2,037.5	1,479.5	3,105.7		1,479.5	3,105.8
Non-controlling interests	-2.8	2.3	2.9		2.3	2.9
Elimination of expenses and income with no impact on cash flows or not from operating activities:						
♦ depreciation, amortisation and provisions	556.9	869.1	1,382.3		888.2	1,424.5
♦ changes in deferred taxes	-46.9	36.5	86.5		35.2	79.8
♦ share-based payment (including free shares)	61.1	61.2	120.4		61.2	120.4
♦ capital gains and losses on disposals of assets	-0.8	1.3	-16.2		1.3	-16.2
Net profit from discontinued operations	29.1	21.4	-25.3		-	-
Share of profit in associates net of dividends received	0.2	-	0.1		-	0.1
Gross cash flow	2,634.3	2,471.2	4,656.4		2,467.7	4,717.3
Changes in working capital	-362.8	-510.9	4.3		-545.6	-12.7
Net cash provided by discontinued operations activities	-24.9	-38.2	43.9		-	-
Net cash provided by operating activities (A)	2,246.6	1,922.1	4,704.7		1,922.1	4,704.6
Cash flows from investing activities						
Purchases of property, plant and equipment and intangible assets	-641.9	-574.5	-1,334.9		-596.7	-1,386.5
Disposals of property, plant and equipment and intangible assets	2.6	6.3	34.2		6.3	34.2
Changes in other financial assets (including investments in non-consolidated companies)	-18.0	-21.5	-42.9		-21.8	-42.9
Effect of changes in the scope of consolidation	-1,240.0	-20.7	-1,209.0		-20.7	-1,209.3
Net cash (used in) from investing activities from discontinued operations	-18.4	-22.5	-51.8		-	-
Net cash (used in) from investing activities (B)	-1,915.7	-632.9	-2,604.5		-632.9	-2,604.5
Cash flows from financing activities						
Dividends paid	-1,899.7	-1,796.6	-1,832.9		-1,796.6	-1,832.9
Capital increase of the parent company	72.3	89.4	163.2		89.4	163.2
Capital increase of subsidiaries	-	-	-		-	-
Disposal (acquisition) of Treasury stock	-499.4	-499.1	-499.1		-499.1	-499.1
Purchase of non-controlling interests	-1.9	-	-		-6.4	-6.1
Issuance (repayment) of short-term loans	1,980.1	846.3	446.0		897.5	449.8
Issuance of long-term borrowings	-	0.6	1.8		0.6	1.8
Repayment of long-term borrowings	-4.3	-3.7	-16.4		-4.2	-17.5
Net cash (used in) from financing activities from discontinued operations	35.2	44.3	-3.5		-	-
Net cash (used in) from financing activities (C)	-317.7	-1,318.8	-1,740.8		-1,318.8	-1,740.8
Net effect of changes in exchange rates and fair value (D)	-52.2	-29.1	-13.1		-29.1	-13.1
Change in cash and cash equivalents (A+B+C+D)	-39.0	-58.7	346.3		-58.7	346.2
Cash and cash equivalents at beginning of the period (E)	1,746.0	1,399.8	1,399.8		1,399.8	1,399.8
Net effect of changes in cash and cash equivalents of discontinued operations (F)	-21.0	-	-		-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	1,686.0	1,341.1	1,746.0		1,341.1	1,746.0

(1) The consolidated statement of cash flows for the year ended December 31st, 2016 and for the six months ended June 30th, 2016 are presented to reflect the impacts of IFRS 5 regarding discontinued operations.

* For consistency with the financial information provided outside of the financial statements, we believed it useful to show the Group's financial performance when The Body Shop was an integral part of its continuing operations.