

2015 Annual Results

STRONG SALES GROWTH: +12.1% based on reported figures

FURTHER INCREASE IN OPERATING MARGIN

STRONG GROWTH IN EARNINGS PER SHARE*

- **Sales: 25.26 billion euros**
 - +12.1% based on reported figures
 - +4.9% at constant exchange rates
 - +3.9% like-for-like
- **Operating profit: 4.388 billion euros, representing 17.4% of sales**
- **Earnings per share*: 6.18 euros, an increase of 15.7%**
- **Dividend**: +14.8% at 3,10 euros**

The Board of Directors of L'Oréal met on February 11th, 2016 under the chairmanship of Jean-Paul Agon and in the presence of the Statutory Auditors. The Board closed the consolidated financial statements and the financial statements for 2015.

Commenting on the annual results, Mr Jean-Paul Agon, Chairman and CEO of L'Oréal, said:

"In a year marked by a worldwide economic slowdown and increased international volatility, L'Oréal achieved strong growth in 2015, supported by a positive monetary effect, and outperformed the market in three of its four Divisions.

The Active Cosmetics Division has once again demonstrated its great momentum all over the world, and is strengthening its leadership in a dynamic dermocosmetics market. L'Oréal Luxe delivered another year of robust growth, driven by the strength of its brand portfolio and its cutting-edge innovations. The Professional Products Division is reaping the benefits of its initiatives to stimulate the professional beauty market, and continues to improve steadily. Finally, the Consumer Products Division did not outperform its market, but improved in the second half, thanks especially to the powerful acceleration in the make-up category.

Across the geographic zones, L'Oréal has further accentuated its leadership in Europe, and significantly strengthened its performance in North America through the course of the year. Trends in the New Markets were more contrasted, in a context that was challenging in some countries, such as Brazil and Russia.

*E-commerce sales*** reached 1.3 billion euros, reflecting very rapid growth, and accounted for more than 5% of Group sales.*

The growth in sales, earnings per share and dividend, supported by the positive currency effect, once again illustrates the quality and robustness of the L'Oréal business model.*

In a volatile and uncertain economic environment, particularly in some emerging countries, the Group can rely on its balanced footprint across beauty categories, distribution channels and geographic zones. We are entering 2016 with the ambition to outperform the cosmetics market and achieve another year of sales and profit growth."

(...)

* Diluted earnings per share, based on net profit from continuing operations, excluding non-recurring items, attributable to owners of the company.

** Proposed at the Annual General Meeting of April 20th, 2016.

*** 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.

(...)

The Board will also propose to the Annual General Meeting on Wednesday, April 20th, 2016, the renewal of the tenure as Directors of Mr Jean-Pierre Meyers, Mr Jean-Victor Meyers and Mr Bernard Kasriel.

The tenure of Mrs Christiane Kuehne will expire at the end of the Annual General Meeting on April 20th, 2016. The Board of Directors wishes to warmly thank Mrs Christiane Kuehne for the quality of her contribution to discussions during her four-year tenure. The Board of Directors will put to the vote of the AGM the appointment as Director of Mrs Béatrice Guillaume-Grabisch, Managing Director of Nestlé Deutschland.

Mr Louis Schweitzer has tendered his resignation from the Board of Directors, in accordance with the Internal Rules of the Board, as the 2016 Annual General Meeting is the one following his 73rd birthday. This decision will be effective at the end of this Annual General Meeting. The Board wishes to express its deep gratitude to Mr Schweitzer for his commitment and his particularly important contribution as Chairman of the Audit Committee and as a member of the Strategy and Sustainable Development Committee.

The Board will propose to the Annual General Meeting on April 20th, 2016 the appointment as Director of Mrs Eileen Naughton, who currently holds the position of Vice-President and Managing Director, UK and Ireland, at Google. This would bring the percentage of women on the Board to 46.6%.

As the appointments and renewals of tenure presented have an impact on the composition of the Committees, this is set out in detail in the table below, subject to approval of the resolutions concerning the tenure renewal and appointment of Directors at the Annual General Meeting of Shareholders on April 20th, 2016.

**Projected composition of Board Committees
at the end of the Annual General Meeting of Shareholders on April 20th, 2016**

	Board Committees			
	<i>Strategy and Sustainable Development</i>	<i>Audit</i>	<i>Human Resources and Remuneration</i>	<i>Appointments and Governance</i>
○ President				
● Committee Member				
Mr Jean-Paul Agon	○			
Mrs Françoise Bettencourt Meyers	●			
Mr Peter Brabeck-Letmathe	●		●	●
Mr Jean-Pierre Meyers*	●		●	●
Mrs Ana Sofia Amaral			●	
Mrs Sophie Bellon		●		○
Mr Charles-Henri Filippi		●	○	●
Mr Xavier Fontanet	●			
Mrs Belén Garijo			●	
Mrs Béatrice Guillaume-Grabisch*		●		
Mr Bernard Kasriel*	●			
Mr Georges Liarakapis		●		
Mr Jean-Victor Meyers*		●		
Mrs Virginie Morgon		○		
Mrs Eileen Naughton*				

Moreover, the Board of Directors has decided, under the authorization voted by the Annual General Meeting of April 22nd, 2015, to set up a share buyback plan amounting to a maximum of 500 million euros during the first half of 2016. All the shares bought back will be cancelled.**

* Subject to approval of the resolutions concerning the tenure renewal and appointment of Directors at the Annual General Meeting of Shareholders on April 20th, 2016.

** The L'Oréal Registration Document filed with the AMF (Autorité des Marchés Financiers) on March 17th, 2015 includes, on pages 274 and 275, the other pieces of information that must appear in the share buyback programme description pursuant to Article 241-2 of the General Regulation of the AMF.

A – 2015 sales

Like-for-like, i.e. based on a comparable structure and constant exchange rates, the sales trend of the L'Oréal Group was +3.9%.

The net impact of changes in consolidation amounted to +1.0%.

Currency fluctuations had a positive impact of +7.2%.

Growth at constant exchange rates was +4.9%.

Based on reported figures, the Group's sales, at December 31st, 2015, amounted to 25.26 billion euros, an increase of +12.1%.

Sales by Operational Division and Geographic Zone

	4 th quarter 2015			At December 31 st , 2015		
	€m	Growth		€m	Growth	
		Like-for-like	Reported		Like-for-like	Reported
<u>By Operational Division</u>						
Professional Products	848.3	4.0%	8.5%	3,399.7	3.4%	12.1%
Consumer Products	2,883.5	3.1%	6.4%	11,844.2	2.5%	10.0%
L'Oréal Luxe	2,038.0	6.8%	13.5%	7,230.0	6.1%	16.7%
Active Cosmetics	388.3	9.9%	8.1%	1,816.3	7.8%	9.4%
Cosmetics Divisions total	6,158.1	4.8%	9.1%	24,290.2	4.1%	12.2%
<u>By Geographic Zone</u>						
Western Europe	2,008.9	2.7%	4.5%	8,042.7	2.3%	4.5%
North America	1,706.8	5.0%	18.2%	6,654.4	3.5%	23.5%
New Markets, of which:	2,442.4	6.5%	7.1%	9,593.0	6.0%	11.9%
- Asia, Pacific	1,406.8	5.5%	13.9%	5,463.5	4.7%	19.7%
- Latin America	466.2	2.2%	-8.8%	1,871.3	4.6%	0.9%
- Eastern Europe	385.1	10.8%	-1.5%	1,530.4	9.8%	-3.5%
- Africa, Middle East	184.3	19.3%	27.9%	727.9	12.1%	28.1%
Cosmetics Divisions total	6,158.1	4.8%	9.1%	24,290.2	4.1%	12.2%
The Body Shop	342.9	-5.8%	7.3%	967.2	-0.9%	10.7%
Group total	6,501.0	4.2%	9.0%	25,257.4	3.9%	12.1%

PROFESSIONAL PRODUCTS

The Professional Products Division recorded growth of +3.4% like-for-like and +12.1% based on reported figures. Growth is accelerating in North America and in Western Europe.

- Haircare is the largest contributor to growth, and is continuing to expand, driven by a string of successes: *Pro Fiber* and *Serioxyl* by *L'Oréal Professionnel*, *Chronologiste*, *Thérapeute* and *Fusio-Dose* by *Kérastase*, and *Frizz Dismiss* and *Extreme Length* by *Redken*. Sales of hair colour in all brands have increased, supported by solid core franchises actively promoted throughout the year. Professional skincare with *Carita* is expanding rapidly in Western Europe.
- All the geographic Zones are growing. Many Latin American countries are accelerating strongly. Eastern Europe is once again posting double-digit growth. The United States, India and the United Kingdom are the top contributors to growth.

CONSUMER PRODUCTS

The Consumer Products Division posted growth of +2.5% like-for-like and +10.0% based on reported figures with an acceleration of its performance in the second semester.

- The Division has strengthened its leadership in its number one category, make-up, where every brand has posted fast growth. *Maybelline*, world number one in make-up, has regained strong momentum, particularly in the United States, thanks to a brisk pace of innovation and its successful digital strategy. *L'Oréal Paris* has rolled out its powerful new "*Makeup Designer Paris*" platform. *NYX Professional Makeup* is continuing to demonstrate its magnetism for young, connected make-up addicts wherever the brand is available, especially in the United States. Haircare sales increased, driven by the worldwide roll-out of the *Extraordinary Oil* range by *L'Oréal Paris*. *Ultra Doux* by *Garnier* has launched the new *Olive Mythique* range, and has expanded successfully into Germany and Spain.
- The Division has returned to a solid growth rate in North America. It is stable in Western Europe with good performances in the United Kingdom and Germany. In all the New Markets it is making progress, with double-digit growth in Eastern Europe and in Africa, Middle East. Finally, e-commerce* is enjoying strong growth across all Zones.

L'ORÉAL LUXE

L'Oréal Luxe recorded growth of +6.1% like-for-like and +16.7% based on reported figures. Once again the Division outperformed the market, driven by the dynamism of make-up and fragrances, as well as by e-commerce*.

- *Yves Saint Laurent* is having an excellent year thanks to the success of *Black Opium*, also launched in the United States, and major lip make-up innovations with *Pop Water* and *Volupté Tint-in-oil*. The dynamic growth of *Giorgio Armani* is continuing, with strong sales of its fragrances *Sì* and *Acqua di Giò Profumo*. The growth of *Lancôme* is sustained in Europe, driven by the success of the range *La vie est belle* that became number one, *Miracle Cushion* foundation (*Prix d'Excellence Marie Claire*), mascaras and *Advanced Génifique* skincare. A significant achievement in skincare is *Kiehl's* chalking up another year of double-digit growth. *Urban Decay* is today sold in 35 countries, and is maintaining its momentum thanks to the *Naked* palettes and the brand's face make-up.
- L'Oréal Luxe is growing in all Zones and outperforming the market in Western Europe. North America ended the year well. Despite the volatile economic context in the New Markets, Latin America, Eastern Europe and Africa, Middle East have posted double-digit growth. The Asia, Pacific Zone is performing well, with a good outcome in China.

* 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.

ACTIVE COSMETICS

The Division is once again demonstrating its great vitality, with sales growth of +7.8% like-for-like and +9.4% based on reported figures, outperforming a very dynamic market.

- *Vichy* returned to a solid growth rate in the fourth quarter and the launch of the *Ideal Body* range has enabled the brand to develop strongly in the body care category, while the innovative launch of *Neovadiol Substitutive Complex* in the second half is a success. For the sixth year running, *La Roche-Posay* has posted double-digit growth with outstanding figures for its franchises *Tolériane*, *Effaclar*, *Lipikar* and *Cicaplast*. *SkinCeuticals* is contributing strongly to the Division's expansion, and is continuing to grow in all Zones. *Roger&Gallet* is expanding in skincare.
- All Zones are contributing to growth. In the New Markets, the Asia, Pacific, Latin America and Africa, Middle East Zones have all recorded rapid growth. Western Europe accelerated in the second half.

Multi-division summary by Geographic Zone

WESTERN EUROPE

In Western Europe, sales grew by +2.3% like-for-like and +4.5% based on reported figures. Thanks to L'Oréal Luxe, and the Active Cosmetics and Professional Products Divisions, the Group is outperforming the market, particularly in Southern Europe, and is recording strong growth in the United Kingdom and Germany. In this Zone, the luxury and dermocosmetics markets continue to enjoy good momentum. While the mass channel is still sluggish, the *Garnier* brand is winning market share in haircare and skincare.

NORTH AMERICA

With growth of +3.5% like-for-like and +23.5% based on reported figures, North America's pace strengthened through the course of the year. At L'Oréal Luxe, *Urban Decay*, *Kiehl's* and *Yves Saint Laurent* all posted double-digit growth. The Professional Products Division is recovering, driven by the impetus of the *Redken* brand. The Consumer Products Division is fuelled by momentum in make-up, with the breakthrough made by *NYX Professional Makeup* and the acceleration of *Maybelline*.

NEW MARKETS

- **Asia, Pacific:** Sales grew by +4.7% like-for-like and +19.7% based on reported figures. Despite a difficult market in Hong Kong, growth at L'Oréal Luxe improved in the fourth quarter, driven by excellent performances in Japan. *Yves Saint Laurent*, *Kiehl's*, *Giorgio Armani* and *Urban Decay* have made strong contributions to the Division's success. The Consumer Products Division is benefiting from good performances in India, Australia and Thailand, and from *L'Oréal Paris*, particularly in China. *Magic* is in a transitional phase. The Active Cosmetics Division is posting strong growth, driven by *La Roche-Posay*.
- **Latin America:** Sales grew by +4.6% like-for-like and +0.9% based on reported figures, thanks to double-digit growth in the Active Cosmetics Division and at L'Oréal Luxe. The very good performances of *SkinCeuticals*, *Vichy*, *La Roche-Posay*, *Lancôme* and *Kiehl's* are especially worth noting. If Brazil is excluded, Latin America achieved double-digit like-for-like growth. The environment in Brazil is continuing to hold back the Zone's overall sales.
- **Eastern Europe:** The Zone posted figures of +9.8% like-for-like and -3.5% based on reported figures. The Consumer Products and Professional Products Divisions, and L'Oréal Luxe, all recorded double-digit growth, driven by Russia, Turkey and Ukraine. All Divisions are making significant market share gains, particularly the Consumer Products Division in all categories (haircare, hair colour, skincare and deodorants), and the *Maybelline* brand, boosted by the launch of *Lash Sensational* mascara, recorded the strongest growth increase of the Division.

- **Africa, Middle East:** Sales growth amounted to +12.1% like-for-like and +28.1% based on reported figures. Growth was particularly fast in Egypt, Pakistan and Saudi Arabia, where it topped 20%. South Africa remains solid. In a context of recent slowdown in several countries, the *Garnier*, *L'Oréal Paris*, *Maybelline*, *Giorgio Armani*, *Yves Saint Laurent*, *Ralph Lauren*, *Kérastase*, *Vichy* and *La Roche-Posay* brands recorded double-digit growth. All the Divisions are making progress, with market share gains in their respective channels.

THE BODY SHOP

The Body Shop recorded -0.9% like-for-like and +10.7% based on reported figures, with good momentum in Africa, Middle East and in Europe, notably in the United Kingdom, its home market. The strategy of focusing on skincare is paying off in all markets, with a strong contribution from the new *Oils of Life* range. However, some Asian markets have been subject to a challenging environment, particularly Hong Kong, and sales in the year-end holidays were below expectation in North America.

B – Important events during the period 10/01/15 to 12/31/15

- No events or changes occurred during the period from October 1st to December 31st, 2015 which could significantly modify the Group's financial situation.
- On January 4th, 2016 L'Oréal USA announced the acquisition of Raylon Corporation, a full-service wholesale distributor of salon professional products. The acquisition expands the SalonCentric distribution network and extends coverage of American hair salons.

C – 2015 Results

Audited financial statements, certification in progress.

1) Operating profitability at 17.4% of sales

Consolidated profit and loss account: from sales to operating profit.

	2014		2015	
	€m	% sales	€m	% sales
Sales	22,532.0	100.0%	25,257.4	100.0%
<i>Cost of sales</i>	-6,500.7	28.9%	-7,277.4	28.8%
Gross profit	16,031.3	71.1%	17,980.0	71.2%
<i>R&D expenses</i>	-760.6	3.4%	-794.1	3.1%
<i>Advertising and promotion expenses</i>	-6,558.9	29.1%	-7,359.6	29.1%
<i>Selling, general and administrative expenses</i>	-4,821.1	21.4%	-5,438.6	21.5%
Operating profit	3,890.7	17.3%	4,387.7	17.4%

Gross profit, at 17,980 million euros, came out at 71.2% of sales, compared with 71.1% in 2014, that is an increase of 10 basis points.

Research and Development expenses, at 3.1% of sales, have decreased in relative value due to a favourable monetary effect. More than 2/3 of these expenses were made in the euro zone.

Advertising and promotion expenses remained stable compared to 2014, at 29.1% of sales.

Selling, general and administrative expenses, at 21.5% of sales, have come out at a slightly higher level, by 10 basis points compared with 2014.

Overall, the **operating profit**, at 4,388 million euros, has grown by 12.8% and amounts to 17.4% of sales.

2) Operating profit by Operational Division

	2014		2015	
	€m	% sales	€m	% sales
By Operational Division				
Professional Products	608.8	20.1%	678.5	20.0%
Consumer Products	2,186.2	20.3%	2,385.8	20.1%
L'Oréal Luxe	1,269.2	20.5%	1,497.5	20.7%
Active Cosmetics	376.4	22.7%	414.7	22.8%
Cosmetics Divisions total	4,440.6	20.5%	4,976.4	20.5%
<i>Non-allocated*</i>	-615.2	-2.8%	-643.6	-2.6%
The Body Shop	65.3	7.5%	54.8	5.7%
Group	3,890.7	17.3%	4,387.7	17.4%

* Non-allocated = Central Group expenses, fundamental research expenses, stock options and free grant of shares expenses and miscellaneous items. As a % of cosmetics sales.

The profitability of the **Professional Products Division** at 20.0% is down by 10 basis points, due mainly to the consolidation of *Decléor* and *Carita*, which led to a negative impact of 20 basis points for the Division. If acquisitions are excluded, profitability has increased by 10 basis points.

The profitability of the **Consumer Products Division** at 20.1% is down by 20 basis points compared with 2014, due to the first consolidation of *Niely* in Brazil, as anticipated.

The profitability of **L'Oréal Luxe** grew by 20 basis points in 2015.

At **Active Cosmetics**, there was a further increase in profitability to reach 22.8%.

The profitability of **The Body Shop** weakened in 2015, to 5.7%, in a year of major changes, due to disappointing sales in the 4th quarter and to the dilutive impact of the acquisition of the Australian franchisee.

3) Profitability by Geographic Zone

Operating profit	2014		2015	
	€m	% sales	€m	% sales
Western Europe	1,746.1	22.7%	1,827.1	22.7%
North America	1,010.4	18.7%	1,256.8	18.9%
New Markets	1,684.1	19.6%	1,892.6	19.7%
Cosmetics Zones total*	4,440.6	20.5%	4,976.4	20.5%

* Before non-allocated.

Profitability in **Western Europe** remained stable at 22.7%.

In **North America**, profitability improved by 20 basis points, to reach 18.9%.

And in the **New Markets**, profitability increased again this year by 10 basis points, to reach 19.7%.

4) Net profit from continuing operations

Consolidated profit and loss accounts: from operating profit to net profit excluding non-recurring items.

€m	2014	2015	% change
Operating profit	3,890.7	4,387.7	+12.8%
<i>Financial revenues and expenses excluding dividends received</i>	-24.1	-13.8	
<i>Sanofi dividends</i>	331.0	336.9	
Profit before tax excluding non-recurring items	4,197.7	4,710.8	+12.2%
<i>Income tax excluding non-recurring items</i>	-1,069.5	-1,219.7	
<i>Net profit excluding non-recurring items of equity consolidated companies</i>	-3.0	-	
<i>Non-controlling interests</i>	+0.1	-1.3	
Net profit excluding non-recurring items after non-controlling interests*	3,125.3	3,489.8	+11.7%
EPS** (€)	5.34	6.18	+15.7%
Net profit after non-controlling interests	4,910.2	3,297.4	
Diluted EPS after non-controlling interests (€)	8.39	5.84	
Diluted average number of shares	585,238,674	564,891,388	

* Net profit excluding non-recurring items after non-controlling interests does not include impairment of assets, restructuring costs, tax effects or non-controlling interests.

** Diluted earnings per share, based on net profit from continuing operations, excluding non-recurring items, attributable to owners of the company.

Finance expenses amounted to 14 million euros.

Sanofi dividends amounted to 337 million euros.

Income tax excluding non-recurring items amounted to 1,220 million euros. This represents a tax rate of 25.9%, slightly higher than that of 2014 which came out at 25.5%.

Net profit excluding non-recurring items after non-controlling interests amounted to 3,490 million euros, up by 11.7%.

Earnings per Share, at 6.18 euros, is up by 15.7% compared to Earnings per Share of 2014.

Non-recurring items after non-controlling interests amounted to 192 million euros in 2015, due mainly to the accounting impact of the deconsolidation of the Venezuelan subsidiary and to the French tax of 3% on the dividends distributed.

Net profit came out at 3,297 million euros.

5) Cash flow statement, Balance sheet and Net financial situation

Gross cash flow amounted to 4,399 million euros, an increase of +15.5%.

The **working capital requirement** increased in 2015 to 196 million euros. This increase is mainly due to the fine paid to the French competition authority for an amount of 189 million euros.

Investments amounted to 1,172 million euros, representing 4.6% of sales, slightly higher than in 2014, when it represented 4.5% of sales.

The **net cash** came out, at December 31st, 2015, at 618 million euros, compared with a net debt of 671 million euros at December 31st, 2014.

The **balance sheet** remains particularly solid with shareholders' equity amounting to some 24 billion euros.

6) Proposed dividend at the Annual General Meeting of April 20th, 2016

The Board of Directors has decided to propose that the Shareholders' Annual General Meeting of April 20th, 2016 should approve a dividend of 3.10 euros per share, an increase of 14.8% compared with the dividend paid in 2015. The dividend will be paid on May 3rd, 2016 (ex-dividend date April 29th, 2016 at 0:00 a.m., Paris time).

7) Share capital

As of December 31st, 2015, the capital of the company is formed by **562,983,348** shares, each with one voting right.

"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 a free translation into English of the 2015 Annual Results news release issued in the French language and is provided solely for the convenience of English speaking readers. In case of discrepancy, the French version prevails.

Contacts at L'ORÉAL (Switchboard: +33 1 47 56 70 00)

Individual shareholders and market authorities

Mr Jean Régis CAROF
Tel: +33 1 47 56 83 02
jean-regis.carof@loreal.com

Financial analysts and Institutional investors

Mrs Françoise LAUVIN
Tel: +33 1 47 56 86 82
francoise.lauvin@loreal.com

Journalists

Mrs Stephanie CARSON-PARKER
Tel: +33 1 47 56 76 71
stephanie.carsonparker@loreal.com

For more information, please contact your bank, broker or financial institution (I.S.I.N. code: FR0000120321), and consult your usual newspapers, the Internet site for shareholders and investors, www.loreal-finance.com or the L'Oréal Finance app, alternatively, call +33 1 40 14 80 50.

D – Appendices

Appendix 1: 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	6,158.1
The Body Shop	319.6	342.9
Fourth quarter total	5,966.4	6,501.0
<u>Full year</u>		
Cosmetics Divisions	21,658.2	24,290.2
The Body Shop	873.8	967.2
Full year total	22,532.0	25,257.4

Appendix 2: Compared consolidated income statements

€ millions	2015	2014	2013
Net sales	25,257.4	22,532.0	22,124.2
Cost of sales	-7,277.4	-6,500.7	-6,379.4
Gross profit	17,980.0	16,031.3	15,744.8
Research and development	-794.1	-760.6	-748.3
Advertising and promotion	-7,359.6	-6,558.9	-6,621.7
Selling, general and administrative expenses	-5,438.6	-4,821.1	-4,614.4
Operating profit	4,387.7	3,890.7	3,760.4
Other income and expenses	-193.4	-307.2	-128.6
Operational profit	4,194.3	3,583.5	3,631.8
Finance costs on gross debt	-23.7	-31.4	-23.1
Finance income on cash and cash equivalents	55.6	42.3	36.4
Finance costs, net	31.9	11.0	13.3
Other financial income (expenses)	-45.7	-35.1	-44.7
Sanofi dividends	336.9	331.0	327.5
Profit before tax and associates	4,517.4	3,890.4	3,928.0
Income tax	-1,222.9	-1,111.0	-1,043.6
Share of profit in associates	4.0	-13.5	-3.0
Net profit from continuing operations	3,298.5	2,765.9	2,881.4
Net profit from discontinued operations	-	2,142.7	80.0
Net profit	3,298.5	4,908.6	2,961.4
Attributable to:			
• owners of the company	3,297.4	4,910.2	2,958.2
• non-controlling interests	1.1	-1.6	3.2
Earnings per share attributable to owners of the company (euros)	5.92	8.51	4.95
Diluted earnings per share attributable to owners of the company (euros)	5.84	8.39	4.87
Earnings per share of continuing operations attributable to owners of the company (euros)	5.92	4.79	4.82
Diluted earnings per share of continuing operations attributable to owners of the company (euros)	5.84	4.73	4.73
Earnings per share of continuing operations attributable to owners of the company, excluding non-recurring items (euros)	6.26	5.41	5.07
Diluted earnings per share of continuing operations attributable to owners of the company, excluding non-recurring items (euros)	6.18	5.34	4.99

Appendix 3: Consolidated statement of comprehensive income

€ millions	2015	2014	2013
Consolidated net profit for the period	3,298.5	4,908.6	2,961.4
Financial assets available-for-sale	347.6	-172.7	677.4
Cash flow hedges	60.1	-17.2	13.2
Cumulative translation adjustments	373.7	584.0	-457.0
Income tax on items that may be reclassified to profit or loss ⁽¹⁾	-28.9	7.3	-32.1
Items that may be reclassified to profit or loss	752.5	401.4	201.5
Actuarial gains and losses	598.1	-672.7	188.9
Income tax on items that may not be reclassified to profit or loss ⁽¹⁾	-205.3	225.1	-63.8
Items that may not be reclassified to profit or loss	392.8	-447.6	125.1
Other comprehensive income	1,145.3	-46.2	326.6
Consolidated comprehensive income	4,443.8	4,862.4	3,288.0
Attributable to:			
• owners of the company	4,443.1	4,864.3	3,284.9
• non-controlling interests	0.7	-1.9	3.1

⁽¹⁾ The tax effect is as follows:

€ millions	2015	2014	2013
Financial assets available-for-sale	-14.4	7.2	-28.0
Cash flow hedges	-14.4	0.1	-4.1
Items that may be reclassified to profit or loss	-28.9	7.3	-32.1
Actuarial gains and losses	-205.3	225.1	-63.8
Items that may not be reclassified to profit or loss	-205.3	225.1	-63.8
Total	-234.1	232.4	-95.9

Appendix 4: Compared consolidated balance sheets

Assets

€ millions	12.31.2015	12.31.2014 ⁽¹⁾	12.31.2013 ⁽¹⁾
Non-current assets	24,457.6	23,284.2	21,485.1
Goodwill	8,151.5	7,525.5	6,206.0
Other intangible assets	2,942.9	2,714.6	2,105.4
Property, plant and equipment	3,403.5	3,141.1	2,891.2
Non-current financial assets	9,410.9	9,069.0	9,204.0
Investments in associates	1.0	-	435.2
Deferred tax assets	547.9	834.0	643.3
Current assets	9,253.7	8,774.6	9,389.6
Current assets excluding assets held for sale	9,253.7	8,774.6	9,389.6
Inventories	2,440.7	2,262.9	2,085.2
Trade accounts receivable	3,627.7	3,297.8	3,022.8
Other current assets	1,486.9	1,199.3	1,500.3
Current tax assets	298.6	97.6	122.1
Cash and cash equivalents	1,399.8	1,917.0	2,659.3
Assets held for sale	-	-	-
Total	33,711.3	32,058.8	30,874.7

⁽¹⁾ The balance sheets at December 31st, 2014 and December 31st, 2013 have been restated to reflect the change in accounting policies on recognition of levies resulting from the application of IFRIC 21.

Equity & liabilities

€ millions	12.31.2015	12.31.2014 ⁽¹⁾	12.31.2013 ⁽¹⁾
Equity	23,617.0	20,196.9	22,651.0
Share capital	112.6	112.3	121.2
Additional paid-in capital	2,654.4	2,316.8	2,101.2
Other reserves	12,873.4	9,773.3	14,229.0
Other comprehensive income	4,517.5	3,745.9	4,370.1
Cumulative translation adjustments	391.9	17.8	-566.4
Treasury stock	-233.3	-683.0	-568.1
Net profit attributable to owners of the company	3,297.4	4,910.2	2,958.2
Equity attributable to owners of the company	23,613.9	20,193.3	22,645.2
Non-controlling interests	3.1	3.6	5.8
Non-current liabilities	1,920.6	2,595.6	1,928.6
Provisions for employee retirement obligations and related benefits	807.2	1,479.7	939.6
Provisions for liabilities and charges	195.9	193.6	174.5
Deferred tax liabilities	876.8	855.2	730.6
Non-current borrowings and debt	40.8	67.1	83.9
Current liabilities	8,173.7	9,266.3	6,295.2
Trade accounts payable	3,929.0	3,452.8	3,249.7
Provisions for liabilities and charges	754.6	722.0	528.8
Other current liabilities	2,597.3	2,403.2	2,083.1
Income tax	151.9	167.1	178.3
Current borrowings and debt	741.0	2,521.2	255.3
Total	33,711.3	32,058.8	30,874.7

⁽¹⁾ The balance sheets at December 31st, 2014 and December 31st, 2013 have been restated to reflect the change in accounting policies on recognition of levies resulting from the application of IFRIC 21.

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 12.31.2012	598,356,662	121.8	1,679.0	16,547.4	3,586.4	-904.5	-109.4	20,920.7	4.8	20,925.5
Changes in accounting policies at 01.01.2013 ⁽¹⁾				8.2				8.2		8.2
At 01.01.2013	598,356,662	121.8	1,679.0	16,555.6	3,586.4	-904.5	-109.4	20,928.9	4.8	20,933.7
Consolidated net profit for the period				2,958.2				2,958.2	3.2	2,961.4
Financial assets available-for-sale					649.5			649.5		649.5
Cash flow hedges					9.1			9.1	-0.1	9.0
Cumulative translation adjustments							-457.0	-457.0		-457.0
Other comprehensive income that may be reclassified to profit and loss					658.6		-457.0	201.6	-0.1	201.5
Actuarial gains and losses					125.1			125.1		125.1
Other comprehensive income that may not be reclassified to profit and loss					125.1			125.1	-	125.1
Consolidated comprehensive income				2,958.2	783.7		-457.0	3,284.9	3.0	3,288.0
Capital increase	6,199,701	1.2	422.2					423.4		423.4
Cancellation of Treasury stock		-1.8		-996.7		998.5		-	-	-
Dividends paid (not paid on Treasury stock)				-1,380.6				-1,380.6	-2.5	-1,383.1
Share-based payment				97.2				97.2		97.2
Net changes in Treasury stock	-4,762,333			1.4		-662.1		-660.7		-660.7
Purchase commitments for minority interests				-48.3				-48.3	-0.9	-49.2
Changes in scope of consolidation								-	1.4	1.4
Other movements				0.4				0.4		0.4
At 12.31.2013 ⁽¹⁾	599,794,030	121.2	2,101.2	17,187.2	4,370.1	-568.1	-566.4	22,645.2	5.8	22,651.0
Consolidated net profit for the period				4,910.2				4,910.2	-1.6	4,908.6
Financial assets available-for-sale					-165.5			-165.5		-165.5
Cash flow hedges					-17.0			-17.0	-0.1	-17.1
Cumulative translation adjustments							584.2	584.2	-0.2	584.0
Other comprehensive income that may be reclassified to profit and loss					-182.5		584.2	401.7	-0.3	401.4
Actuarial gains and losses					-447.6			-447.6		-447.6
Other comprehensive income that may not be reclassified to profit and loss					-447.6			-447.6	-	-447.6
Consolidated comprehensive income				4,910.2	-630.1		584.2	4,864.3	-1.9	4,862.4
Capital increase	3,828,502	0.8	215.6	-0.1				216.3	2.3	218.6
Cancellation of Treasury stock		-9.7		-6,035.9		6,045.6		-	-	-
Dividends paid (not paid on Treasury stock)				-1,507.3				-1,507.3	-2.8	-1,510.1
Share-based payment				113.5				113.5		113.5
Net changes in Treasury stock	-49,380,654			0.2		-6,160.5		-6,160.3		-6,160.3
Purchase commitments for minority interests				21.0				21.0	-2.3	18.7
Changes in scope of consolidation								-	2.5	2.5
Other movements				-5.3	5.9			0.6		0.6
At 12.31.2014	554,241,878	112.3	2,316.8	14,683.5	3,745.9	-683.0	17.8	20,193.3	3.6	20,196.9
Consolidated net profit for the period				3,297.4				3,297.4	1.1	3,298.5
Financial assets available-for-sale					333.2			333.2		333.2
Cash flow hedges					45.6			45.6		45.6
Cumulative translation adjustments							374.1	374.1	-0.4	373.7
Other comprehensive income that may be reclassified to profit and loss					378.8		374.1	752.9	-0.4	752.5
Actuarial gains and losses					392.8			392.8		392.8
Other comprehensive income that may not be reclassified to profit and loss					392.8			392.8	-	392.8
Consolidated comprehensive income				3,297.4	771.6		374.1	4,443.1	0.7	4,443.8
Capital increase	4,657,959	0.9	337.6					338.5		338.5
Cancellation of Treasury stock		-0.6		-362.8		363.4		-	-	-
Dividends paid (not paid on Treasury stock)				-1,511.4				-1,511.4	-2.6	-1,514.0
Share-based payment				117.6				117.6		117.6
Net changes in Treasury stock	1,088,341			-77.1		86.3		9.2		9.2
Purchase commitments for minority interests				23.5				23.5	1.5	25.0
Changes in scope of consolidation								-		-
Other movements				0.1				0.1	-0.1	-
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

⁽¹⁾ Taking into account the change in accounting policies on recognition of levies resulting from the application of IFRIC 21.

Appendix 6: Compared consolidated statements of cash flows

€ millions	2015	2014	2013
Cash flows from operating activities			
Net profit attributable to owners of the company	3,297.4	4,910.2	2,958.2
Non-controlling interests	1.1	-1.6	3.2
Elimination of expenses and income with no impact on cash flows:			
• depreciation, amortisation and provisions	933.8	856.2	767.8
• changes in deferred taxes	53.4	60.0	15.9
• share-based payment (including free shares)	117.6	113.5	97.2
• capital gains and losses on disposals of assets	0.2	-0.9	0.1
Net profit from discontinued operations	-	-2,142.7	-80.0
Share of profit in associates net of dividends received	-4.0	13.5	-4.6
Gross cash flow	4,399.5	3,808.2	3,757.9
Changes in working capital	-196.4	55.9	-67.6
Net cash provided by operating activities (A)	4,203.1	3,864.1	3,690.3
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	-1,172.1	-1,008.2	-1,018.8
Disposals of property, plant and equipment and intangible assets	6.5	18.7	8.5
Changes in other financial assets (including investments in non-consolidated companies)	-35.2	403.4	-464.8
Dividends received from discontinued operations	-	41.7	56.3
Effect of changes in the scope of consolidation	-435.3	1,194.0	-138.4
Net cash (used in) from investing activities (B)	-1,636.1	649.6	-1,557.2
Cash flows from financing activities			
Dividends paid	-1,534.8	-1,589.3	-1,425.4
Capital increase of the parent company	338.6	216.4	423.4
Capital increase of subsidiaries	-	2.3	-
Disposal (acquisition) of Treasury stock	9.2	-6,160.3	-660.6
Issuance (repayment) of short-term loans	-1,832.4	2,225.0	48.9
Issuance of long-term borrowings	1.1	0.2	-
Repayment of long-term borrowings	-5.8	-13.0	-19.7
Net cash (used in) from financing activities (C)	-3,024.1	-5,318.7	-1,633.4
Net cash (used in) from discontinued operations (D)	-	-	23.0
Net effect of changes in exchange rates and fair value (E)	-60.1	62.7	-75.6
Change in cash and cash equivalents (A+B+C+D+E)	-517.2	-742.3	447.1
Cash and cash equivalents at beginning of the year (F)	1,917.0	2,659.3	2,235.2
Change in cash and cash equivalents of discontinued operations (G)	-	-	-23.0
Cash and cash equivalents at the end of the year (A+B+C+D+E+F+G)	1,399.8	1,917.0	2,659.3